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# Latin America Report

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26 August 1983

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## FLOODS IN NORTH CAUSE DECREASE IN OIL PRODUCTION

Lima LA PRENSA in Spanish 9 Jul 83 p 1

Text The phenomenon of "El Nino" [Pacific Ocean current whose change of direction has affected weather] not only has caused damage to the infrastructure and agricultural and livestock production in the northern area of the country but also has led to a decline in petroleum production by an average of 30,000 barrels per day. This drop in production will considerably reduce the income which had been anticipated from this sector.

The country will lose about 400 billion soles (\$200 million) this year, due to the drop in petroleum production, due to the weather catastrophe which has affected the northern region.

This was stated yesterday [8 July] by Dr Fernando Montero Aramburu, minister of energy and mines, when he closed the seminar on "The National Use of Energy in Industry," which has held in the Lima Civic Center, under the auspices of the International Energy Agency and the European Economic Community (EEC).

He said that during the present year it had been estimated that the average daily production of crude oil would be about 200,000 barrels. However, unfortunately, only about 170,000 barrels will be produced, or 30,000 barrels less per day.

He emphasized: "This considerable reduction in petroleum production will have a considerable impact on the national economy, inasmuch as petroleum is the natural resource which strengthens our domestic economic life."

On the other hand he stated that Occidental Petroleum Company and Shell have signed a contract with the government to explore for, exploit, and extract petroleum in three areas (of 1 million hectares each) in Huallaga Central and Madre de Dios Provinces.

Montero Aramburu noted that he could not anticipate what the production of petroleum would be in these new fields, which remain to be explored, since feasibility studies have led to nothing for the moment.

Referring to reports that the price of gasoline will go up on 9 July, the minister of energy and mines stated that "the law on the progressive increase in the price of fuel made this inevitable, but he could not indicate when this increase would take effect, since such a decision must be made by the minister of economy, finance, and commerce."

During the closing ceremony of the seminar Ulises Ramirez Olmos, executive secretary of OLADE [Latin American Energy Organization], pointed out that in order to complete the energy development of Latin America, about \$50 billion would be needed. He noted: "For that purpose we would have to have the participation of the whole Latin American community."

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## BRIEFS

NEW INVENTION FOR ELECTRICITY--A Peruvian invention to transform the force of ocean waves into electrical energy has just been patented, and is being touted as a creation that could revolutionize energy concepts all over the world. The idea belongs to Jorge Garzón Astete, and was developed by engineers Angel and (army general) Marco Fernández Baca, who won a patent for the device at the Office of Industrial Property of Itintec. By means of a special device, ocean waves can be used to electrify a large part of the country, especially coastal cities, and supply electrical power to railway networks and factories of all types. The invention requires the use of floats, levers, axles, gears, chains, and pinions which, when properly assembled onto structures built in the ocean, exploit the wave motion of the sea to transform alternating into rotary motion. The system provides certain significant advantages, such as low investment costs. No fuel is required for operation, as waves are an abundant and inexhaustible source of energy themselves, and maintenance costs are likewise low. In addition, it may be installed in any country in the world that has a coastline. Inventor Garzón Astete, as well as the brothers Fernández Baca, yesterday called on interested energy foundations and agencies to cooperate by assisting in the development of this Peruvian invention. Text Lima LA PRENSA in Spanish 7 Jul 83 p 17  
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CSO: 3348/554

## CAMILION ON REASONS BEHIND KISSINGERS'S APPOINTMENT

Bahia Blanca LA NUEVA PROVINCIA in Spanish 23 Jul 83 pp 2-3

[Commentary by Oscar Camilion]

[Text] Every day something new happens that demonstrates how increasingly complicated the panorama in Central America is becoming. The Contadora group has just formulated a proposal that attempts to take a practical look at the military situation in the region in order to decrease the risk of armed confrontation. Former President Jimmy Carter launched a violent diatribe against the government of El Salvador, accusing it of being one of the most criminal in the world. The Nicaraguan government publicly stated its support for multilateral peace initiatives. Tomas Borges' nephew requested asylum in the United States, accusing the junta of betraying the objectives of the revolution that overthrew Anastasio Somoza. Commander Eden Pastora insisted on making sensational statements and it is difficult to judge whether they were part of some tactic or simply signs of an exhibitionistic personality. Of course, despite a period of less violence, military action has continued in the region, taking its usual toll in violence and death to which, although intolerably so, almost all the actors seem to have become accustomed.

Nonetheless, the event that has had the greatest impact by far was the appointment of Henry Kissinger to head a bipartisan commission which must formulate specific proposals before next 1 December on policies to be followed in Central America. President Ronald Reagan's decision caused surprise. A controversial figure such as Kissinger provokes conflicting reactions among both conservatives and liberals. Furthermore, past experience has shown that, starting from any position given him, Kissinger is capable of scaling more ambitious heights. As a result, many highly placed figures in the government in Washington must have felt a shiver of apprehension.

Clearly, one possible explanation for this appointment may be one that is often difficult to apply to political decisions on important matters; that is, that it was a simple error. But clearly this can only be a working hypothesis made at first glance. For the present, it seems that President

Reagan is trying to obtain a consensus on his Central America policy and that has led him to ask for the support of a person of undeniable weight and versatility.

We have already referred in past commentary to the serious problem of consensus facing American policy on Central America. The main chapters taking place in El Salvador and Nicaragua have divided American public opinion more than ever. In any given moment, a position on a small country like Grenada can have explosive repercussions. An unquestionably praiseworthy initiative such as the economic plan for the Caribbean Basin has not been carried out by Congress, which has been paralyzed by the actions of pressure groups defending products manufactured in the United States. These products might be threatened by future competition from the region under the provisions of the program. Washington's only great diplomat success in recent years, the Panama Canal Treaty, divided American public opinion bitterly and Reagan himself actively opposed it. It goes without saying that on the most critical point of all, policy towards Cuba, there is absolute disagreement.

#### A Key Issue

What has happened is that the Central American situation, a grave international problem, has become a central issue in American domestic politics. It is perhaps the only issue that may threaten Ronald Reagan's reelection and is without a doubt a major issue in the presidential campaign, which will soon be launched. The principle pentagon spokesmen who have made statements on this matter have not expressed opinions clearly favoring military treatment of the problem. However, they have left no doubt that any initiative in this area must have a total political consensus. Political consensus in the United States means bipartisan policy. Since the Vietnam war, this has become an extremely difficult task to achieve when direct participation of American troops may be involved.

Former President Carter has quite openly attacked the attempt to disguise the current administration's goal of destabilizing the Sandinist government. This attempt at destabilization is clearly underway. Furthermore, it has become an even more important chapter in regional policy than the American defense of the government of El Salvador. Although the two problems are very closely related, they differ considerably for two reasons. First, in the case of El Salvador, the United States is defending the legal government, whose credentials are solid regardless of possible criticism of its performance. On the other hand, in the case of Nicaragua, the American action is undeniable intervention. Second, the current line of conduct against the Sandinists increasingly threatens to unleash an international conflict, in which at least Honduras would participate.

History does not repeat itself. But without doubt events generated under similar circumstances tend to reproduce certain patterns. In Cuba, the Dominican Republic and Nicaragua similar events occurred over recent decades. These 3 countries were the theaters for repeated American military intervention ever since Theodore Roosevelt's corollary to the Monroe Doctrine

was put into effect. At a given moment in each of these countries a dictatorial government was installed which took repressive policy to extremes together with an extreme defense of private American interests. The 3 dictators, Batista, Trujillo and Somoza began to lose Washington's favor little by little as they exceeded their "useful term" and they fell through actions that had the direct or indirect approval of the State Department.

Soon after, Fidel Castro showed General Eisenhower's administration that, at least from Washington's point of view, the cure was worse than the disease. This led to the failed attempt to remedy the situation in the Bay of Pigs. Trujillo was destabilized through the application of sanctions under a provision of the Treaty of Rio de Janeiro. These were established at the meeting in San Jose de Costa Rica, which left Trujillo relatively vulnerable to the successful assassination that ended his life and which raised much suspicion of possible involvement of American instigators. Groups hostile to the United States threatened to fill the power vacuum left by the Dominican autocrat. The United States responded with direct intervention decided upon by President Lyndon Johnson in 1965. Johnson used the only mechanism proven effective in this kind of situation; that is, to send a marine force large enough to impose immediate, crushing superiority.

In the case of Nicaragua, and also when it proved impossible to support Anastasio Somoza any longer, inter-American system sanctions, backed by the Carter administration, were the final blow that made the victory of the Sandinist revolution possible. The power vacuum created in Nicaragua was slowly filled by the group that, among those that fought the dictator, had the weapons and whose strong anti-American orientation was an absolute certainty. Except that in the 1980s the possibility of applying the same expeditious measure as in Santo Domingo was much less certain. In any case, there is a clear parallel between the failed attempt of the Cuban exiles in the Bay of Pigs, the intervention of the Marines in the Dominican Republic and the "covert operations" and later invasion of Nicaragua by antiSandinist groups.

#### Kissinger and Latin America

As has been said, the 1980s are not the 1960s. The relative power of the United States in the Americas and in the world has changed substantially. At the same time, there is a constant in the field of strategic interests that tends to produce similar behavior in security matters. The Americans tend to interpret security interests in basic, military terms, and sometimes even reduce them to the availability of vectors for launching nuclear weapons. However, these interests have, without doubt, political components. To think that the strategic balance in the American region would not be affected by an increase in the number of countries leaning toward diplomatic alliances with the Soviet Union would be an error. At the least, it would be a simplification of the terms of the balance equation upon which the entire world's security system is based.

President Reagan has just said, in a speech in Florida, that the "threat" has been taken to the continent for the first time, the meaning of which is

unmistakable. The choice of Henry Kissinger for the difficult job of achieving consensus and preparing policy must also be considered unmistakable. As is known, Kissinger is not a specialist in Latin America in general or in Central America in particular. But on the other hand, he is a specialist in the broad topic of global security and in Soviet relations. There is no doubt that the former secretary of state is an extremely sophisticated man who will not fail to analyze the complex economic, social and institutional problems of Central America. However, his approach will give highest priority to strategic factors and among them, to a matter that has always obsessed him: the balance of power as a condition for peace and its preservation. The least that one can conclude from this appointment, which has caused such surprise and strong reactions, is that it definitely makes official the supreme emphasis on the East-West conflict in the analysis of the Central American situation. Kissinger looks at everything from this broad angle. Certainly he has learned much about Latin America in recent years and he will be able to learn much more. However, it will be very difficult for his interest in specific aspects of the Central American case to surpass the weight he will give to the projection of events in the region onto the power game between Washington and Moscow.

It also seems clear, as had been insinuated, that the exit of Thomas Enders as Assistant Secretary for inter-American Affairs signalled, in effect, a significant displacement of professional State Department diplomats from the conduct of Central American and Caribbean policy. Enders' successor has arrived at his post bringing with him only his single experience in Brazil. Shultz, a man of undeniable breadth, has plenty on his plate with world problems, including those in economics and finance, areas in which he is eminently qualified. Henry Kissinger will certainly operate at the margin of conventional diplomacy. However, no one can clearly anticipate to whom he will finally have to answer for conduct for which he will soon feel fully responsible. It is logical to think he will work for President Reagan, which assumes additional emphasis on considering Central America as a specific chapter in the East-West conflict.

Naturally, this does not imply that Kissinger's presence will mean military escalation. Instead, the former secretary of state's background points in the opposite direction. In fact, he and Richard Nixon were the architects of detente. What seems certain is that the following objective will guide Kissinger's actions: to attempt to reduce the Soviet Union's influence in Central America as much as possible. Of course, his opinion of the ideological orientation and political loyalties of the Sandinist regime is public knowledge. He has little doubt that the current rulers in Managua are faithful followers of Fidel Castro, dedicated to promoting a "revolution without borders" on the isthmus. This may be considered distorted and simplified, but it is certainly his judgment.

Consequently, Kissinger will certainly attempt to convince his main audience, the Congress, of the need to deal with the problem of El Salvador and Nicaragua within a global context in which the other part is Moscow and in which social, economic and even national factors in the Central American

countries are not decisive elements. In addition, it can be foreseen that an analyst of his style will juxtapose the Central American factor with others that are directly linked to Soviet security.

Kissinger is going to try to persuade the Kremlin of the advisability of not altering the regional balance right next to the United States. Under current circumstances, this can hardly be conceived from soft positions. For some time, data on Central America available for analysis has made it possible to predict a hardening of the American position. The choice of Kissinger makes this prediction a certainty although, it should be emphasized once more, this does not necessarily mean armed intervention.

After this article was already written, it was announced that Ambassador Harry Shlaudeman would be secretary, or something like it, of the bipartisan commission. This means a professional with outstanding experience in Latin America will join the group and guarantees that serious efforts will be made to explore diplomatic paths. Also worth noting is the rather positive commentary in Washington regarding the proposals made by Nicaragua in response to those of the Contadora group. In any case, the outgoing ambassador from Buenos Aires will contribute a body of knowledge about the region that very few in the Department of State can match. It should be recalled that that knowledge includes a particularly important experience. Harry Shlaudeman was in the Dominican Republic during the events of 1965 discussed in this article.

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## PAPER SPECULATES ON SELECTION OF NEW U.S. AMBASSADOR

Bahia Blanca LA NUEVA PROVINCIA in Spanish 19 Jul 83 p 1

[Text] The concern with which the United States is analyzing the course of events in the southern cone, and in Argentina in particular, could be reflected in certain, not always subtle, changes that could occur in its diplomatic representation.

As we know, that concern pays close attention to internal events characteristic of the current atmosphere of tension and political confrontation in Chile, the progress--just as we predicted--evidenced by subversive actions in Peru, the trend toward communism in Bolivia's institutional situation, and the loss of political control that has, to be a great degree, begun to be evident in Brazil.

With respect to Peru, our sources have confirmed what we said in the past regarding progress that would be made by the guerrillas there. Today the government in Lima is very close to facing its first serious confrontations with subversion. These confrontations are almost carbon copies of those that occurred in Argentina. However, they are different in one respect; there is an indigenous factor that was absent in our case. In any case, reliable information indicates that the Inca communities have rejected the Maoist activities of the Shining Path guerrilla movement and that, contrary to leftist plans, they have become one of the most suitable tools for resisting and combatting Marxism.

At any rate, the southern part of the continent will be further disturbed, since Central America will not be pacified with the defeat of the Sandinists and the subversives in El Salvador, as some optimists predict in the past. On the contrary, actions are expected to continue almost as they have up to now, at least into our summer months. This will coincide with other renewed demonstrations in Argentina, in accordance with predictions and plans being made by exiles in and from other countries, as we have been pointing out recently.

The entire situation, especially the political and institutional change underway that will lead to a new government here next year, has caused the Americans to consider replacing their current ambassador, Harry Shlaudeman, despite his brilliant performance and his precise knowledge of Latin America.

This knowledge is due not only to his 4 years of experience as head of his delegation in Buenos Aires, but also to his previous experience in Peru.

There are some who believe this possible replacement would be a result of the recent replacement of Assistant Secretary of State for Latin America Thomas Enders by Mr Mootley. However, all signs would seem to indicate, in reality, that Washington believes its preferred candidate, Mr Raul Alfonsin, will definitely be defeated by Peronism in the Electoral College. This would seem to be suggested by the character of Shlaudeman's possible replacement, who will be an experienced career diplomat with knowledge of Latin American problems. This would be Mr Anthony Friedman, who was already labor attache here in the past. That position allowed him to establish good relations with Argentine labor leaders.

Is this the background considered most valid by the Americans for their future ambassador? Apparently, the answer is yes; at least, it suggests that the Reagan administration, regardless of local circumstances, truly intends to strengthen its ties with the national labor movement.

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## NEW PDS SECRETARY GENERAL HOMERO SANTOS DISCUSSES PARTY ISSUES

Rio de Janeiro O GLOBO in Portuguese 24 Jul 83 p 8

[Interview with PDS secretary general Deputy Homero Santos; in Brasilia, date not given]

[Text] Brasilia--The new secretary general of the Social Democratic Party (PDS), Deputy Homero Santos proposes to redefine the party's relationship with the government but believes that only through consultations with all congressmen will he be in a position to know what the party thinks in that regard.

Homero Santos believes in the unity of the party and attributed the dissatisfaction of fellow-members to the lack of participation in the decisions of that executive, especially in the economic-financial posts and, at the same time, declares that the whole cabinet is already in the hands of the PDS.

The new secretary general of the PDS believes that although participating in the decisions in the economic-financial area of the executive may not mean deciding, it will enable the party to know the solutions and to offer suggestions that may be better than those formulated by the government, therefore, capable of possibly correcting them.

[Question] Why were you, who were vice president and candidate to remain in that position, suddenly carried to the secretary generalship?

[Answer] Nobody carried me. Until Thursday night, I was a candidate for reelection as vice president. But to my surprise, on Friday, I saw in the newspaper that my name was being considered for the secretary generalship by virtue of the fact that an agreement had not been reached with the other slate.

[Question] Deputy Amaral Neto, interpreting the thinking of his colleagues of the "Participation" slate, said in an interview that the PDS national committee is no longer in a position to close ranks around bills inasmuch as its unity is less reliable since the dissidence at the national convention. Doesn't that threaten the PDS?

[Answer] We have to exercise dialog.

[Question] There was dialog before, nevertheless, the "Participation" slate became inevitable.

[Answer] True. But what happens is that there is dissatisfaction within the PDS.

[Question] Is the government going to be more sensitive now?

[Answer] Everything indicates that it will. There is a very great willingness on the part of the government to give priority to heeding the congressmen.

[Question] In that regard, did the B Slate do the PDS good?

[Answer] There is no doubt about it. That was a great party: the convention, the participation of more than one slate; that was beautiful. The PDS emerged strengthened.

[Question] As a deputy with several terms and broad experience in public life, could you give the recipe of the type of participation that can satisfy the congressmen?

[Answer] What we have seen, what we all want, is to participate in the country's economic-financial problems.

[Question] What does that mean?

[Answer] We want to participate in the decisions in the economic-financial area. That is, we want to know before the government adopts certain positions.

[Question] To know in order to satisfy your curiosity or to change?

[Answer] We are not here merely to know, but to know and to change.

[Question] What would the PDS do in connection with Decree-Law No 2,045, which reduced the rates of wage adjustments?

[Answer] Now that is a matter which the leader can answer better. I cannot get into the turf of leader Nelson Marchezan.

[Question] And how can you overcome the resistance from the economic area of the government to that type of consultation of the party? What is the party's weapon to penetrate the technocracy?

[Answer] I want to talk with all the colleagues; I am going to meet with all the blocs. I want to tour the states and gather from each one its point of view regarding the matter. I believe, particularly, that we need to take some demands to the government, and in earnest. One demand

which I consider of the greatest importance is that of our being able to participate in the decisions in the economic-financial area. Of course, we are not going to decide, but we are going to know and to offer suggestions; perhaps ours may be better and can correct government actions.

[Question] Participate in decisions or in positions?

[Answer] The problem of positions is of lesser importance.

[Question] What would be the best ministry for the PDS to carry out politics?

[Answer] The PDS has all the ministries.

[Question] If the PDS has all the ministries, why does it complain so much about the lack of power?

[Answer] The deputies want to participate more. They are not after positions.

[Question] Do you consider the party fully recognized in terms of first-echelon positions?

[Answer] No. I believe the following: reshuffling sometimes is necessary.

[Question] What would be the best ministry portfolio for the PDS?

[Answer] All ministry portfolios are good. Any one is satisfactory. If the Brazilian Labor Party (PTB) participates, it will be in a coalition with the PDS.

[Question] Does the PDS accede to that?

[Answer] In the area, it does accede.

[Question] Would you volunteer to be the spokesman for the PDS group that wants to change the cabinet?

[Answer] Nobody told me they want to change the cabinet.

[Question] But that has come out in the newspapers.

[Answer] That is the reason why I said that we are going to talk. I was elected secretary general to be the interpreter of the majority.

[Question] And if the majority suggests that you take a proposal for cabinet changes to the government?

[Answer] Provided that that is the conclusion of the discussions I am going to hold with all the congressmen. First of all, I want to practice exercising my eardrums.

[Question] In your meetings, are you going to give priority to the people who are dissatisfied or those who are comfortably ensconced in the party?

[Answer] I am not going to give priority to anybody because we all are equal.

[Question] But are you going to talk with all of them at once?

[Answer] I plan to invite the coordinators of the state blocs. Then, each coordinator will schedule a meeting of the bloc with me.

[Question] You know that every political meeting today swerves toward the question of presidential succession. What is the party's guidelines for that debate?

[Answer] It has already been decided. The national committee delegated powers to President Figueiredo to coordinate the succession.

[Question] Therefore, you are not going to talk about succession?

[Answer] No. Furthermore, because in congress as a whole, we have supporters of all the candidates there are.

[Question] What can the party do to prevent another succession fever?

[Answer] We can ask for a little moderation in talk but one cannot prevent a deputy from favoring this or that candidate.

[Question] Despite the fact that the party turned over the coordination of the succession process to President Figueiredo, there are some candidacies in the making within the party. What must the party do to arrive at the convention with a single candidate? Or do you prefer that there be several candidacies?

[Answer] The party cannot become directly involved in the problem since it has delegated the powers of that task to the president of the republic. When the president says that the name of this or that person has emerged from his coordination, then at that time, we must take a position. Because it will be the response to the delegation of power given the president. I particularly like a contest. I always contended for all the positions in my life through elections. And if there should be a need for a contest, the party is going to know how to coordinate that.

[Question] Do you consider it salutary to have contention at the convention?

[Answer] I do not see any impropriety, but I do not advise that before President Joao Figueiredo gives a decision on his coordination.

[Question] Who is your candidate?

[Answer] The candidate of President Figueiredo.

## SNI CHIEF OCTAVIO MEDEIROS DISCUSSES INTELLIGENCE SERVICE

Sao Paulo VEJA in Portuguese 27 Jul 83 pp 3-4, 6

[Interview with SNI chief General Octavio Aguiar de Medeiros; given in Cleveland on 21 July]

[Text] General Octavio Aguiar de Medeiros, 60 years old, says that he is feeling like a "caged lion" in Cleveland, the American city where President Joao Figueiredo is convalescing after the heart operation he had on the 15th. The minister-chief of the National Intelligence Service (SNI) since 1978, Medeiros is accustomed to an "intense and tense" lifestyle, as he says, and he is ill at ease with the quiet of the city where he is following the president's treatment. The general has slept an average of 8 hours a day, something he had not done for a long time in Brazil. He walks briskly every day along the bank of Lake Erie, which separates Cleveland from Canada, and exhibits excellent health conditions—he covers 7 kilometers in only 1 hour.

In the morning and in the afternoon, Medeiros goes to the Cleveland Clinic, talks to the doctors and visits the president whenever he can. Besides Figueiredo's family and the doctors, the minister-chief of the SNI is the only member of the Brazilian retinue with the right of access to the president's room on the eighth floor of the hospital. The other aides enter the room only if the president summons them. Medeiros maintains contact with Brazil several times a day, and he kept abreast step by step with the preparation and development of last week's strike. Thus far, those reports have not been passed on to President Figueiredo to spare him worry and to hasten his recovery. When Figueiredo is in better condition, however, Medeiros will have daily work sessions with the president.

Last Thursday morning, during the interval between a meeting with his aides and a visit to the hospital, General Medeiros received the special correspondent of VEJA for an exclusive interview--the first one he has granted since he has been in the government.

The President Wanted Me To Come

[Question] Why did you come to Cleveland in the presidential retinue?

[Answer] I came to keep President Joao Figueiredo company. Not only to serve as a liaison link between him and the government in Brazil but mainly as a friend of the president. It would not be advisable for Figueiredo to come to Cleveland without support of that type. I am one of the so-called "house ministers," one of those who have the most contact with him and one of the closest. I came because President Figueiredo wanted me to come and all of the other ministers considered my coming advisable. I am here, therefore, in this capacity of aide and friend. John and I have known one another for many years and we can stay 2 hours straight without saying anything to one another but even so we understand one another. It is natural for me to accompany him.

[Question] You became annoyed with the comments that arose in Brazil to the effect that you were trying to set up a sort of "parallel government" in Cleveland.

[Answer] I was not really annoyed or irritated. But I believe that those comments are foolish interpretations without foundation. I am not saying that I came to the United States against my will but I made the trip because everybody including the president wanted me to come.

[Question] And the stories that when President Joao Figueiredo had the first heart attack in 1981, you did not want Vice President Aureliano Chaves to assume the federal government?

[Answer] That never happened. I was in the National Intelligence Service agency in Rio de Janeiro beginning a meeting when Minister Danilo Venturini, who was then chief of the Military Household, telephoned me to say that President Figueiredo had had a heart attack. I went by the hotel where General Venturini was lodged and we went together to Gavea Pequena where the president was staying but he had just left. We arrived at the hospital a short while after the president had entered. After ascertaining the seriousness of the situation, we met in the hotel. I was the one who telephoned Minister Leitao de Abreu, chief of the Civilian Household, who was in the southern part of the country, to give him the information. At the meeting in the hotel, there was no discussion about whether the vice president should or should not assume power. The decision was unanimous since there was no reason why he should not assume it.

[Question] Since the president was operated on, have you ever talked with him about the Brazilian political situation?

[Answer] No, for the time being, no. The president is very well but it is not yet the time. Yesterday, I stayed there with him; we played a game of "biribinha"...

I Was Never a Candidate for the Presidency

[Question] And who won the game?

[Answer] He became tired and we ended the game. But when we stopped, he was winning.

[Question] When do you think the president may leave the hospital?

[Answer] The president is very well mentally although he still feels pains in the chest and is a little weak. But he is recovering well. He should leave the hospital by Monday or Tuesday to go home.

[Question] What led you to say that the president would reassume his duties within 3 weeks?

[Answer] Everyone knows that I am not one to seek out the press. I spoke because the reporters asked me. I had just spoken at length with Dr William Sheldon, chief of cardiology of the Cleveland Clinic, and he had said that the president could reassume his duties in 3 or 4 weeks. I only repeated what he had told me. Doctor Sheldon told me that in the first 10 or 20 days after the operation, it would be better if the president would reassume his duties gradually but that he do so at once. I did not have the intention of sending a message to anybody. All of that was a foolish interpretation. I greatly respect Doctor Aureliano, of whom I consider myself a friend and would never do anything in the sense that was interpreted.

[Question] Why do you believe that your attitudes tend to be interpreted in an erroneous manner? Could it not be because you direct the SNI, an agency that is considered mysterious?

[Answer] I do not know...The SNI is very badly interpreted, unknown even. It would not be ethical for me as chief of the service to go around speaking about its qualities. The SNI has already rendered great service to the country, to this government, but it is now known and badly interpreted.

[Question] You once said that you were never a candidate for the presidency, that they had invented that. Don't you want to be president?

[Answer] That's right, I was really never a candidate. I even consider those comments amusing. I recall clearly that when I returned from Israel in 1974 after having served as military attache, Joao was chief of the SNI and he sent me to the National Intelligence School in Brasilia. I stayed there about 3 years. And when President Ernesto Geisel announced that Joao Figueiredo would be the official candidate, journalist Carlos Castello Branco on the day following the announcement wrote in his column in the JORNAL DO BRAZIL that I would be the next president, "according to tradition." Well, there never was that type of tradition. I never wanted that, I never had the knack for that.

[Question] Do those interpretations about the role played by the SNI interfere with your relationship with the president, or does he know you and the service will enough not to be upset by the speculations?

[Answer] Joao is even amused when he reads things of that type. The president and I have gone through many things together so that it is not possible to upset that relationship. Figueiredo finds it amusing and calls me "main gorilla" in jest...

[Question] Since the activites of the SNI are almost completely unknown to the majority of Brazilians, would there not be some way of putting an end to a little of the mystery that surrounds it?

[Answer] The SNI is completely unknown to the general public and it would be excellent if the people knew what the service really does. But the SNI exists to inform the president and not to talk about itself. We cannot go about announcing what we are doing. Even so, all the ministries know of our usefulness and are always making requests. Right now, shortly before I left Brazil, the Ministry of Agriculture was asking for assistance in investigating the plague of finches [bicudos].

[Question] In what way does the SNI render that assistance?

[Answer] The finch is a plague that is causing enormous damage in the Northeast, mainly to the cotton crop. So we go there to make a survey of the situation.

[Question] And what can the SNI do in a case of that kind?

[Answer] We may not have experts specialized on that subject but we have very great agility. And we have the function of coordinating the work of the experts because our structure is very flexible and enables us to carry out those tasks. That is what we did in the case of the gold in Serra Pelada and in the case of the settlers who occupied land in Ronda Alta in Rio Grande do Sul in 1981. We do not go to those places to resolve the problems or to interfere unduly in the affairs of other, as some like to say. We go to help. Later we make a report, gathering the data and coordinating the various matters.

#### Private Firms Record Telephone Calls

[Question] How do the members of the SNI work?

[Answer] The service is an extraordinary thing. Its members have a very great esprit de corps, an enormous readiness and great agility. For that reason, we work almost full time and open the way to help the various ministries.

[Question] To what can the activity of the members of the SNI be compared?

[Answer] The role of the SNI is very much like that of the journalists. What we do, like you, is to collect data, compare situations. It is very similar, except that our work is not for publication and we cannot give personal opinions. Our reports are made on the basis of fact, without opinion. You, journalists, can give opinions.

[Question] And how about the stories that the SNI intercepts and records telephone conversations?

[Answer] We do not do that...There is none of that. Many people connect the service with the years immediately following the 1964 [revolution]; they connect the SNI with the system of repression, but they are mistaken. The SNI is not a police service; it never was.

[Question] Then who does telephone monitoring?

[Answer] There are private firms that do that. There was the case of Ney Webster de Araujo, a very competent fellow who, because he was very knowledgeable about coal, went to work in Rio de Janeiro for the Brazilian Electric Enterprises Auxiliary Company (CAEEB). Once I was talking to him on the telephone and a little agency there in Rio, the Agents, recorded it. Those people are not easy...

[Footnote] In May 1981, retired Navy Captain Francisco da Gama Lima, owner of the Security Agency Ltd (Agents) and financial director of the Brazilian Electric Enterprises Auxiliary Company (CAEEB) reportedly recorded a telephone conversation between General Medeiros and Ney Webster de Araujo, then president of the company. Since the CAEEB is a subsidiary company of the Ministry of Mines and Energy, Gama Lima took the tape to the Minister Cesar Cals, trying to have Araujo dismissed. The maneuver did not succeed--Gama Lima was removed from his position shortly afterwards and Araujo remained as president of the CAEEB until the beginning of 1983.

[Question] Lately you have given the appearance of someone who is unhappy. After all the episodes involving the SNI, are you disappointed?

[Answer] No, I am not really very unhappy. But we always become unhappy with that lack of understanding, those distortions.

#### The Baumgarten Case Was a Tragedy

[Question] What do you think of the recent decree of the army minister limiting the assignment time of officers in services such as the SNI?

[Answer] That does not exist and it never did. Minister Walter Pires' decree renews things that already existed before. When an officer goes to the SNI, he knows that he is going to spend a period there--2 or 3 years--but he is always attached to the army. He depends on the army for promotions, removals, all of that.

[Question] What was said at the time was that the intention of the army minister was to prevent an officer from making a career in the SNI.

[Answer] But that never occurred! The service does not provide a career to anyone. Few officers stay in the SNI very long.

[Question] But you have made a career of the intelligence services.

[Answer] I have been in that for a long time, that is a fact, but there are few similar cases. We select the best from among the best to work in

the service. I do not want to say by that that the best officers in the armed forces are in the SNI, but we seek to find the best. And how many people of the service have already been promoted to general, have gone to foreign posts? Now, rarely do people make a career within the SNI itself. Look at the case of General Newton Cruz, chief of the Central Agency of the SNI. He has been with me for a long time; he is an admirable person. Now a very good chance arose for him. The best command, the Planalto Military Command has become vacant. The army minister asked to place Newton there and the president accepted. General Newton is going to the Planalto Military Command as a reward since that is a command that is almost like that of a general of the army. I am the one who is going to lose because I will be without him in the service. And everybody says that General Newton is going to leave the SNI because of Pires' decree. And that is not true.

[Question] Do you admit that some people took advantage of the name of the SNI to engage in other activities?

[Answer] The cases are very rare and all of them were punished. With me, it happened only once, in Mato Grosso. But I repeat, they are very rare episodes.

[Question] Do you want to speak about the case of the murdered journalist, Alexandre von Baumgarten, mentioned as having relations with the SNI?

[Answer] Don't even talk to me about that...That case was a tragedy. I do not even want to talk about that matter. I never saw that man in my life! I got to see Baumgarten after he was dead, in a photograph. And his connections with the service, everything they said against the SNI? There was never any of that. But one day, the truth will appear.

[Question] Hasn't the political liberalization of the Geisel-Figueiredo period placed the SNI in a difficult situation?

[Answer] I believe we are adapting to the new situation. Whenever I have a chance to talk to a group of officers of the service, I strike that note. We have to modernize, to make our structure more agile to be able to keep up with the political process of Brazil. Any government in the world needs to be informed before things happen in order to be able to act. As a matter of fact, the SNI becomes more and more indispensable in that democratic process.

[Question] You mean to say then that the SNI is not against the political liberalization?

[Answer] We were never against the liberalization. The SNI is rendering services to President Figueiredo to guarantee the process. Now, whether that process could be slower, or conducted in another manner, that is another question.

[Question] How so?

[Answer] Look at the case of that strike in Brazil. I believe that in order for democracy to work, it must establish as a principal that no one can harm the rights of another person. That strike is a typical example of that. Yesterday I talked by telephone with someone in Rio who was terrified. He sent his family away, bought things in the supermarket to stock up, bought candles, bought gas, because they said that there was going to be a shortage of everything. That person's rights, for example, are being harmed.

[Question] Are you receiving information about the strike in Brazil?

[Answer] It seems that the strike movement is deflating. But look here: there were terrible floods in Rio Grande do Sul, Parana and Santa Catarina, and people are homeless, suffering very much. I believe that a person who is engaged in a strike should think of the situation of those homeless people who are hungry and cold in the southern part of the country.

[Question] What else do you know about the strike?

[Answer] I know that the press has helped greatly in maintaining a climate of order. I have received reports from Brazil saying that with its work, the press is revealing the real content of the strike. And the radio stations in Sao Paulo are helping to prevent the strike movement from prospering.

[Question] Here in Cleveland, you are more open to talking with the press, unlike your behavior in Brazil. Why?

[Answer] I am not here as the chief of the SNI. The chief of the National Intelligence Service is in Brazil, with Dr Aureliano Chaves.

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## GOVERNMENT EFFORTS TO REDUCE UNEMPLOYMENT PRAISED

Santiago EL MERCURIO in Spanish 21 Jul 83 p A 3

[Editorial]

[Text] With good reason, one of the government's priority goals is to reduce the existing high level of unemployment as quickly as possible. There is no doubt that, under the overall supervision of the minister of finance, the authorities are proceeding in well-coordinated fashion in this direction. To judge by the progress indicated by figures on the level of unemployment, the degree of success has been noteworthy.

Indeed, in the August-October quarter of 1982, total unemployment in the greater Santiago area reached 25.2 percent of the labor force. As a result of the government's strong attack on this social scourge, total unemployment for the April-June quarter of this year has been reduced to 19.5 percent. The figures cited are taken from the economic indicators for three-month periods that are published monthly by the National Statistical Institute.

This development represents undeniable and satisfactory progress. Confirming the foregoing are figures from the last occupational survey carried out by the Faculty of Economic Sciences of the University of Chile in the greater Santiago area. This study indicated that 57,000 new jobs were created between March and May alone.

An additional statistic of interest appearing in the above-mentioned study is that employment attributable to the Minimum Employment Program (PEM) and Program for Employment of Heads of Household (POJH) was reduced in May. This kind of employment had increased in March. The final conclusion then is that the increase in employment has been very strong in the manufacturing industries.

The point cited is of interest, because many sectors insist that existing PEM and POJH employment should be included in the unemployment figures. Insofar as POJH is concerned, this is erroneous, as workers enrolled in that program perform work of greater social value than the remuneration that they receive. If POJH did not exist, much of the work would have to be done with workers hired through the private sector.

From the viewpoint of productiveness of the work done, the case of PEM is less clear. Nevertheless, it should be pointed out that is more a social mechanism for redistribution of income than a mechanism for countering unemployment. This system helped avoid the situation in which people with employment tried to cheat the treasury by obtaining the PEM subsidy in spite of having remunerative work. For these reasons, it seems unreasonable to argue that 100 percent of those enrolled with PEM are, in fact, unemployed people in disguise. The vast majority of them do not belong to the country's real work force and consequently are not unemployed people.

The country's president has put 1.210 billion pesos in special funds at the disposition of the Ministry of Public Works, thus enabling it to create 13,800 new jobs between now and the end of the year. Coupled with this new initiative is a positive change in the requirements for drawing jobless benefits. From now on, jobless people can interrupt receipt of the benefits whenever they find work and receive them again should they again lose their employment. The maximum cumulative period for receipt of the subsidy remains 360 days. Before this change, the jobless person who found employment lost his right to the subsidy and only regained it after a year of paying taxes.

The attack on unemployment and the successful results obtained offer the hope that the goal of reducing unemployment to under 15 percent will be reached by the end of the year.

12336  
CSO: 3348/593

## EXPORTERS ASSOCIATION REPORTS INCREASE IN FRUIT EXPORTS

Santiago LA NACION in Spanish 22 Jul 83 p 18

[Text] During the next growing season, fruit exports will reach more than 40 million cases, which represents an increase of almost 20 percent as compared with the period that ended recently.

This information was provided to LA NACION by Antonio del Curto, president of the Exporters Association, who recalled that fruit exports reached almost 34 million cases during the last season, surpassing "by an ample margin the export figures for the 1981-1982 season, during which exports rose to almost 27 million cases, or an increase of about 26 percent."

Last June alone, 677,183 cases of fruit and vegetables were exported. It was indicated that this volume represents an increase of 52.4 percent, as compared with the same month last year.

Del Curto indicated that, in general, the present season has practically ended, onsofar as the bulk of exportable volume is concerned. Consequently, all kinds of fruit show a considerable decrease in volume exported, as compared with previous months, except apples and, to a degree, pears, which will continue to be exported to Latin America in large quantities in the months ahead.

The businessman also stated that the first shipment of lemons through the port of Valparaiso was made last month and recalled that last year exports of this fruit only began in July.

#### First Port

Del Curto indicated that Valparaiso is the port through which the majority of fruit and vegetables are exported and that up to June the total volume exported by the Fifth Region reached 28 million cases.

He added that, if this amount is compared with the amount registered as of June last year, at which time exports reached almost 20 million cases, an increase of 40.5 percent is noted.

Among the principal products exported, Del Curto mentioned apples, table grapes, nectarines, peaches, pears, cucumbers, prickly pears and others.

He said that, in the case of apples, these registered an increase of 70.3 percent in exports, which reflects the improvement in this activity thanks to--according to the exporters' president--a satisfactory exchange rate.

Comparative Situation of Exports of Principal Kinds of Fruit  
1981-1982 Season and 1982-1983 Season

<u>Kind of Fruit</u>	<u>June 1983</u>	<u>June 1982</u>	<u>change (%)</u>	<u>1982-83</u>	<u>1982-83</u>	<u>change (%)</u>
Table grapes	36,952	47,954	-22.4	20,576,813	14,029,720	+46.7
Apples	592,615	347,978	+70.3	8,298,230	8,167,049	+1.6
Pears	12,250	29,807	-58.9	1,125,245	1,333,263	-15.6
Nectarines	-	-	-	1,775,731	1,040,551	+70.7
Peaches	-	-	-	385,300	283,776	+35.8
Plums	-	-	-	759,209	392,398	+93.5
Lemons	19,242	-	-	19,242	-	-
Melons	-	-	-	445,085	257,957	+72.5
Raspberries	-	-	-	49,590	1,314	+3,674.0
Onions	-	3,325	-	84,111	1,121,966	-92.5
Garlic	-	5,142	-	17,909	47,106	-62.0

1) shipments made through Valparaiso, San Antonio, Arthur Merino Benitez Airport and Los Adnes.

Source: Chilean Association of Exporters, Inc., Fruit and Vegetable Committee

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12336  
CSO: 3348/593

## PEACE TREATY VIEWED IN CONTEXT OF BEAGLE MEDIATION

Santiago EL MERCURIO in Spanish 24 Jul 83 p A 3

[Editorial]

[Text] The views of Chilean public opinion and, certainly, of our government are reflected in the statements that Col Ernesto Videla, head of the Chilean delegation for the mediation, made in Rome to a Buenos Aires radio station on the desirability of Chile and Argentina signing as soon as possible the peace treaty proposed by Pope John Paul II on 23 April 1982.

The Chilean envoy has affirmed that this treaty "is practically ready" and that all that is lacking "is the willingness of the parties to sign this agreement." The treaty, he added, "is not an isolated element but is precisely what His Holiness requested, that we begin with this in order to arrive, through development of the proposal, at a final treaty acceptable to both parties."

Referring subsequently to the recent statements by Gen Ricardo Etcheverry Boneo, head of the Argentine delegation, to the effect that it may be possible to find a solution before the next civilian government assumes power in the neighboring country on 30 January 1984, he said that "if the Argentine Government is willing, I could not be more pleased, since this coincides with what the Chilean Government has always proposed, that is, to find a solution to this dispute as soon as possible."

In a recent statement, President Bignone reportedly said that maybe a new treaty would not be necessary, because in the January 1979 Act of Montevideo, in which the Pope was asked to act as mediator, the parties undertook "not to resort to force in their mutual relations."

It is obvious that this commitment referred to the duration of the period of mediation, since it was accompanied by the commitment to "a gradual return to the military situation existing at the beginning of 1977 and forbearance from the adoption of measures that might disturb tranquility in any sector."

The Argentine government's decision last year to denounce the 1972 treaty providing for a judicial settlement of disputes produced a juridical vacuum

so serious that, at the Pope's request, its validity had to be extended for the duration of the process and up to six months after its conclusion.

The peace treaty now under study, which is essentially a nonaggression pact, will govern future Chilean-Argentine relations following mediation.

Throughout the entire history of their relations, Chile and Argentina have been linked through obligatory arbitration agreements and have resolved all their disputes by this means, except in the unfortunate case of the arbitral decision by Her Britannic Majesty in 1977, with which the Argentine Government, contrary to all the norms of international law and of agreed-upon settlements, refused to comply when the time came.

Mere mention of a supposed plan for attacking our country in 1978, revealed by an Argentine magazine, is an incentive to seek an agreement to eliminate forever the possibility of a conflict between Chile and Argentina, countries that ought to live in peace, as they have always done, and to integrate with each other at all levels for the mutual benefit of their inhabitants.

12336  
CSO: 3348/593

## AREAS OF OPERATION OF SUBVERSIVE GROUPS DETAILED

Bogota EL SIGLO in Spanish 10 Jul 83 p 16

[Article by Juan Carlos Galindo: "Subversion in Colombia: An Implacable Reality"]

[Text] Just 3 days ago five terrorist actions were carried out in Medellin against very different kinds of organizations within the space of less than 12 hours.

Besides the information about the bombs which exploded in Medellin, the news reports were keeping people informed about the latest events regarding the leader of the M-19 guerrilla group, who mysteriously disappeared some weeks ago, and whose whereabouts and possible death are keeping public opinion guessing.

Reports like these have become normal everyday news in Colombia. Like the kidnappings, the seizures of drugs, the latest exploits of the bosses of the nation's "noble" mafia, the shipments of contraband...in short, the many criminal acts which because of their frequency and uncontrolled spread have come to be part of the daily life of every Colombian, causing inexplicable and dangerous changes not only in their behavior--so as to adapt themselves to the abnormal situation--, but in their mentality, so that they come to regard reprehensible actions as permissible, and to coexist with them. Without doubt, the most recent and striking aspect of the subversive movements, which we will look into in this report and which comes from official statistics reported in the National Police magazine CRIMINALIDAD, has to do with the direct link between the different armed groups which are operating within the country and the local mafia, which continues to extend its tentacles even into the most unlikely sectors.

It is an undeniable fact that meetings are held by guerrilla leaders and bosses, of the drug traffic in our cities or in foreign luxury hotels, and also that there are daily interchanges between "foot soldiers" of both groups in the jungles in the eastern part of the country. However, since the first cautious accusations, the more or less official confirmation by the Attorney-General's office, and this statement or that from officials about negotiations which are going on in the jungles and which are making possible new sources of access to the guerrilla groups, up to now the situation is

relentlessly worsening instead of being controlled and suppressed. It would be worthwhile today to assemble the official information we have on the current status of the guerrilla groups which are operating in the country, and once again to analyze the causes which give rise to them.

There are countless reasons for the complex problem of subversion, and they are reciprocally related to each other.

Basically, underdevelopment and the defective structure of the state are the foremost cause of subversion. Within this cause we can pin-point various factors which influence and shape it: illiteracy, lack of adequate education, unemployment, hunger, isolation and lack of attention to the rural areas, the faulty system of communications and the lack of provisions for emergencies, security and the struggle against crime. All these factors, which are the product and origin of underdevelopment, as well as the lack of social discipline which is typical of Latin America, are part of the primary cause, because they represent the dissatisfaction of the populace and the discontent of the inhabitants with an ineffective state.

The secondary and direct cause is the struggle between the two world super-powers for colonization and domination of the planet. While the United States is carrying out a policy of intervention to protect democracy in the Western countries, the Soviet Union is attempting to extend its influence, even using repression and arms.

The Soviet Union and Cuba's support and staffing of the guerrillas in Latin America is one of the most effective means Moscow has to impose its domination in a country, and it constitutes a serious threat to all the countries, as has already been proven.

These two types of causes are the driving force behind subversion, and strengthen support for the guerrilla groups.

#### Organization and Actions of the Subversive Movements

##### Revolutionary Armed Forces of Colombia (FARC):

Throughout its existence the leadership of this guerrilla group has basically not changed: it continues to be led by Pedro Antonio Marin or Manuel Marulanda Velez, alias Tirofijo. At present the FARC has 17 combat fronts in the following areas of the country:

Magdalena Medio: the IV, XI and XII fronts operate here. The geographic features of the region and the terrain are helpful to the subversives in carrying out ambushes of patrols, attacks on villages, kidnapping of land-owners and killing of peasants.

Caqueta, Huila, Guaviare and Putumayo: I, II, III, XIII And XIV fronts operate here. They carry out the same illegal actions as in the previous region, and the remoteness of the area is helpful to the guerrilla concentrations and to their dealings with the drug traffickers.

Llanos Orientales: Here the VII, X, XVI and XVII fronts carry on their activities. They have kidnapped several persons, and attacked the town of Arama.

Tolima, Cauca and Caldas: This is the sphere of influence of the VI, VIII, and IX fronts. In the course of their subversive activities they have kidnapped seven people, attacked the town of Toribio, various banking institutions and farms in Almaguer and Silvia.

Uraba: The V front operates in this strategic area, which is very important for the subversive group, because it is through here that the entry of arms and insurgents trained in other countries, especially in Cuba, goes on. In general, the activities of FARC have been aimed at acquiring resources to expand their areas of influence, at seeking to make young peasants join their ranks by means of the offer of a better day's pay for their "work", or through coercion.

Army of National Liberation (ELN):

This group is characterized by the radical position which it has always maintained within the ranks of the revolutionary groups. This position was confirmed by their total rejection of the amnesty which the government recently offered. Its leader is Nicolas Rodriguez Bautista, known by the alias of Dario, who commands a "staff" which plans the attacks of this organization. Its activities can be summarized as follows:

They operate the Jose Antonio Galan, Camilo Torres and Domingo Lain rural fronts, which are influential in the north of Antioquia, the south of Cordoba, the north of Cesar, north of Boyaca, and the administrative area of Arauca. They have carried out two attacks on police stations, three ambushes on military patrols, six kidnappings, 26 murders, and extortions of various landowners.

They have also spread terror in the cities. In Medellin they have placed 44 explosive devices, attacked eight banking institutions and caused the death of three police agents. Also, the guerrillas of this group have appeared in Bucaramanga and Barrancabermeja on numerous occasions to carry out their criminal actions.

Popular Liberation Army (EPL): Like the ELN, they totally rejected the amnesty, saying that that measure did not suit their revolutionary aspirations. Under the command of Francisco Caraballo, alias Pacho, they have two rural fronts, and their area of influence is in the departments of Cordoba and Antioquia. They are thought to be responsible for three attacks on police posts, six raids on towns, and four robberies of banking institutions, several ambushes on patrols of the military forces, kidnappings and extortions. In several cities such as Medellin, Bucaramanga, Monteria, Cali, Florencia and Bogota, they have placed numerous very powerful explosive devices.

19 April Movement (M-19): Although this group is now and has already for several months been undergoing a crisis of leadership, its organization and

structure remain the same, with the following regional action groups: Bogota, made up of five commando groups; North, made up of three commando groups; Oriente, with two commando groups; Antioquia, with four commando groups; Quindio and Risaralda; Tolima, with two commando groups; Occidente, with eight commando groups.

They also have the "Southern Military Force," made up of approximately 12 armed groups.

Among their subversive actions have been five attacks on police posts, 16 on banking institutions, 13 armed encounters with the National Army, six attacks on towns, 29 cases on interference with television channels, 21 kidnappings, and the placing of many explosive devices in different cities in the country.

Pedro Leon Arboleda (PLA): It was founded in 1975 in memory of Pedro Leon Arboleda. It has restricted its activities to the urban sector, especially in Bogota. It has carried out 10 attacks on banking institutions, murdered three persons, and carried out continuous propaganda attacks. According to the national police, it is in the process of extinction.

Workers Self-Defense Movement: Its leadership has been shaped by the Abadia Rey brothers, who are known to be hardened and violent. As a result of the capture and sentencing of the actual and intellectual perpetrators of the assassination of former minister Rafael Pardo Buelvas, the group has been practically wiped out, according to the latest official appraisal of the police.

#### Effects of Subversion

The natural result of the activities of the guerrilla groups and of the lack of action by the security forces is fear among the population of the country. This fear, among all social ranks and groups, produces in its turn countless pernicious effects within the daily life of the nation. It has an important influence on the economy, notably because the landowners, who are faced with danger, do not return to their estates, and agricultural and cattle production is paralyzed. The businessmen also abandon their industries, and take their capital out of the country, automatically causing paralysis of business, unemployment, and the whole vicious circle which results. In its turn, that panic reduces the Colombian labor force's capacity for work, and decreases the quality of the labor and that of the products, which loses international markets for the country.

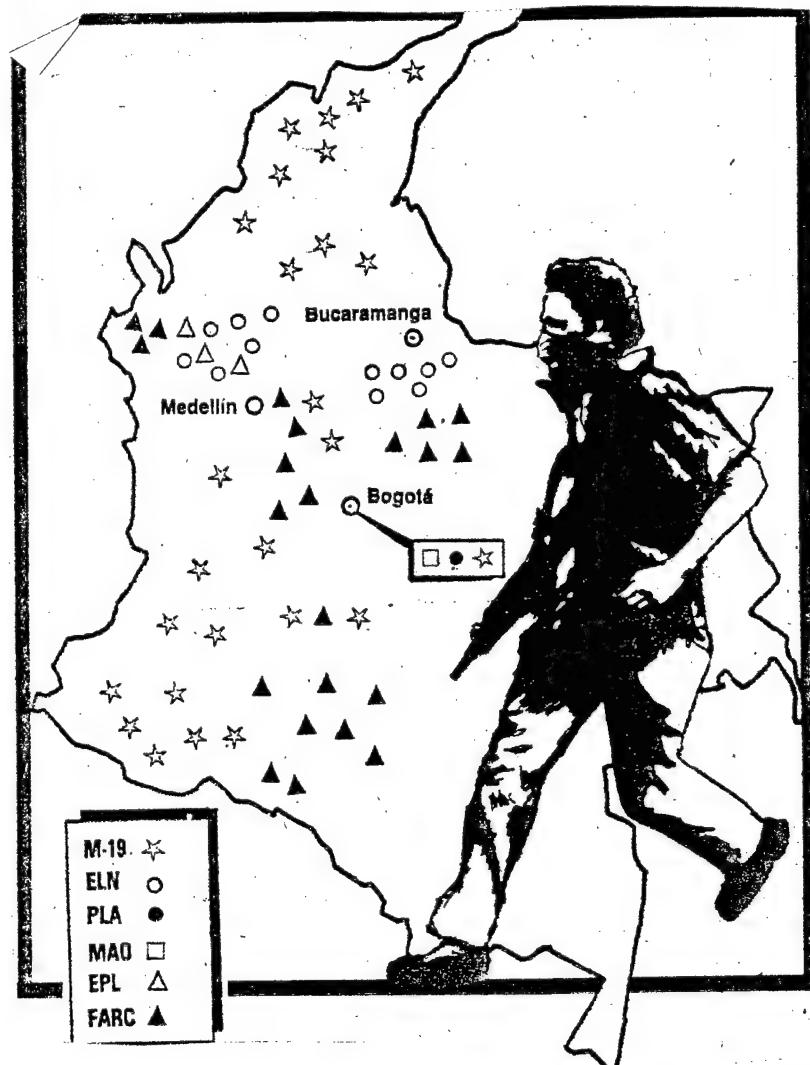
The physical health of the people is also affected, because nervousness and stress take over in individuals who live in tension because of insecurity. On the social level, the disturbance of the public order produces a large number of upheavals in the cities.

#### Role of the State Security Forces

There are various kinds of measures which the government ought to take to solve this major problem. In the short term, there should be coordination of

all the organizations which are responsible for preventing this kind of crime, so that they may act with the greatest possible efficiency; more technical and human resources should be provided, so as to take advantage of technological measures in this struggle, where nothing should be held back. It is essential to increase the penalties and streamline the procedural mechanisms for dealing with the crimes of kidnapping, extortion, and the ones which the guerrillas frequently commit in carrying out their intimidation and achieving a favorable environment for their actions.

In the long run, the measures should be more far-reaching. Education, work and amusements should be afforded for the people who lack them; means of communication should be constructed and improved in every part of the country; and, in general, Colombia should be restructured so that all its inhabitants may fully enjoy human and civil rights, and economic and social tranquillity, so that they can fully develop their personalities and carry on their activities--all this for the greater benefit of humanity.



This map prepared by our artist Carlos Morales shows the distribution of the different guerrilla groups dispersed throughout the country, according to the official reports released by the police.

## PROVINCIAL PARTY MEETINGS HELD; OFFICIALS ELECTED

## Isle Of Youth Meeting

Havana GRANMA in Spanish 6 Jun 83 p 2

[Article by Enrique Sanz Fals]

[Text] We were favorably impressed by the meeting at which the party assessed itself and elected or reelected its officers on the Isle of Youth. At this gathering the party gave evidence of its maturity, depth, organization, teamwork and prestige, as well as its close ties to the masses and the appreciation they feel for their political vanguard.

We were also able to see for ourselves the major economic, political and social strides that the special municipality has made over the past 3 years.

It was truly a magnificent meeting, to quote Comrade Jesus Montane, an alternate member of the Politburo and a regular member of the Secretariat, who chaired the meeting along with Orlando Fundora, the head of the Central Committee's Department of Revolutionary Orientation, and Armando Manresa, the party's first secretary on the island.(both are alternate members of the Central Committee) and other party leaders.

The 345 delegates focused their attention on issues in the spheres of defense, production, economics, internal party life, education, services, soil care and conservation, public health, patriotic and military work, livestock and others.

We could state that virtually no concern or problem of either party members or the people was not covered in the thick Central Report or in the many speeches by the delegates, who presented profound and critical assessments of the party's efforts over the past 3 years.

Every minute of the close to 8-hour meeting was properly utilized. The delegates outlined their experiences, views, opinions, disagreements and suggestions simply and plainly but thoroughly and without restraint, concerning the issues brought up for their consideration. In their speeches they emphasized eliminating the problems that have been detected rather than the successes scored.

### The Delegates Speak

For example, Comrade Maria (we did not hear her last name clearly) expressed the need to upgrade the military training of the teachers at the municipality's schools, to defend our country, inasmuch as shortcomings were found in previous periods. Speaking in support of her proposal was Gabriel Espinosa, who reported that from 17 to 22 July all teachers would take combat training, which they will combine with methodological instruction.

Other delegates stated that in spite of the gains that have been made, there are still insufficient nurses at health care centers, which means that greater efforts must be put forth. Comrade Manresa spoke up on this issue and stated that "we must develop our technicians and skilled workers with revolutionary enthusiasm." He said that this year the first primary school teachers and nurses would be graduating. "We must make a major effort," he asserted, "to develop these personnel so that we can meet the island's needs in the years to come."

The delegates also focused their attention on soil care and conservation, passing a motion made to this end.

The speech by Jesus Hernandez was given a very good reception. He reaffirmed the commitment by the island's ranchers to meet their meat and milk production and pastureland planting goals and to produce a million liters of milk more than the goal, which is 9.8 million.

Around 10 comrades took the floor to support the speech by Victor Amaral and recount their experiences. Amaral had stated that since the Party Instructors program had been set up, party work has been given new life, it is more responsive and a positive step had been taken to enhance the party's structures. Responding to a question from Montane, he said that "it is more responsive now than it used to be. This is one of the advantages of this approach to party work."

The meeting, which was staged at the Victoria Theater in Nueva Gerona, also gave high marks to the efforts made by the UJC [Union of Young Communists], mass and student organizations, the workers and the people during the period under study. Speaking on behalf of the delegates and guests, Comrade Antonio Rancel gave a rundown of the major tasks that the masses had undertaken as a salute to the meeting and conveyed "the gratitude of Isle of Youth communists to the people for the efforts they put forth to salute the assembly."

It was this kind of constructive, creative spirit that prevailed at the meeting of Isle of Youth communists.

### Beneficial Results

As Comrade Montane stated in his summary, "this is a process that has yielded us beneficial results in many respects: organizationally, politically, morale-wise, ideologically and even materially."

"Our party," he said, "and this is very important, emerges from this meeting with a greater grasp of problems, with a clearer idea of what it can and must do about each task and with even greater authority, prestige and links with the masses."

After the Central Report was approved, the meeting elected the new Municipal Committee, which consists of 71 members and 6 alternates. In its first meeting the committee elected its Executive Bureau and reelected Comrade Armando Manresa as first secretary. Miguel Rodriguez was chosen second secretary.

The people on the Isle of Youth saluted the meeting with a beautiful and thrilling spectacle. Its feature attraction was the younger generations who brought the delegates a message of encouragement, support, respect and gratitude from the masses with their songs, music, dances, poetry and remarks charged with revolutionary patriotism.

In his summary Jesus Montane stated that "what impressed us the most about this assembly was the feeling of unity, teamwork and shared work responsibility on the part of the entire municipality that we sensed here, the impression of genuineness, revolutionary humility and devotion to duty that our communist activists convey to us."

"As in the rest of Cuba," he said, "this is the encouraging impression that we get from the party on the Isle of Youth."

#### Solid Gains in the Economy

Later on he emphasized that the Isle of Youth has made solid gains in its economy over the last 3 years. In this regard, he pointed out that commercial output posted an annual increase of 22 percent, that work productivity rose significantly, that the average monthly wage climbed from 136 to 176 pesos and that in 1982 output was up some 49 million pesos with 1,429 fewer workers, which confirms that "we have worked with greater efficiency and organization."

After noting that there are still problems and shortcomings on the national level that have to be overcome and that we are still having trouble achieving the levels of control and organization and being as demanding as our party's leadership and, in particular, as Comrade Fidel have called for, the alternate member of the Politburo stated: As our society's critical conscience, our party must never lapse into complacency and routine. Twenty-five years of revolution demand a much more uncompromising and demanding attitude from all of us."

He went on to say: "With his exemplary work, with his social responsibility, with his opposition to shoddy work and with his modesty, austerity and candor, each party member is helping to perform true political and ideological work."

In conclusion, Montane asserted that "we are extraordinarily pleased to see, once again, that on the Isle of Youth we have a solid and capable party organization that will ensure that you can pursue your policies and achieve your goals," after which he congratulated the comrades who were "elected to the Municipal Committee, the members of the Executive Bureau and, especially, the first secretary of the party in the municipality, our beloved Comrade Manresa."

To conclude the party meeting, the delegates and guests proceeded to Heroic Guerrilla Square, where practically the entire population of the Isle of Youth had gathered, to reaffirm their commitments to the party and to reiterate their support for the resolutions adopted at its recently concluded evaluation meeting. Representatives of the UJC and of mass, youth and pioneer organizations spoke at the ceremony. Also delivering speeches were Armando Manresa and Jesus Montane, who was in charge of making the concluding remarks.

This was the conclusion that the people wanted for the most important gathering of Isle of Youth communists, a meeting that they stood behind. And once again we have seen the application of the important principle of party life that Comrade Fidel spoke of in his Central Report to the Second Congress: "Our party was, is and must always be guided by the deepest and most lasting ties with the masses."

#### Matanzas Province Meeting

Havana GRANMA in Spanish 13 Jun 83 p 2

[Article by Enrique Mesa]

[Text] Matanzas--The political, economic and social development of the revolutionary people of Matanzas over the past 2½ years (July 1980 to December 1982) was thoroughly analyzed by the delegates at the evaluation meeting to elect or reelection Communist Party officers in this province. The meeting was held last Saturday in the Atenas Movie Theater in this city.

In making the concluding remarks at the meeting, Jose R. Machado Ventura, a member of the Politburo, emphasized that the people of the province as well as its party members and leaders have worked tenaciously and achieved successes in the sugar harvest and on other important fronts. He added that he knew, however, that "they are far from satisfied with what they have accomplished."

He asserted that although he was pleased to congratulate the province for all that it has achieved, "I am much more pleased to congratulate it for setting higher goals."

Jorge Risquet, a member of the Politburo, Antonio Perez Herrero, a Politburo alternate, and Jaime Crombet, a member of the Secretariat were seated on the dais at this major provincial party event. Julian

Rizo, who is also a member of the Secretariat sent greetings to the delegates and his regrets at being unable to attend the meeting, as he would have liked, citing other unavoidable party responsibilities.

Esteban Lazo Hernandez was reelected first secretary of the party's Provincial Committee, and Felix Moreno second secretary. Also elected to the Executive Bureau were Angel Berriel, Jose M. Castillo, Osvaldo Umpierrez, Ivo Rodriguez, Mario Herrera, Orlando Gordillo, Faustino Beato, Felix Duque, Reynaldo Castro, Ricardo Cardenas and Isidro Campos.

Of the 265 delegates to the meeting, who were representing more than 24,000 Communist Party members in Matanzas, 260, or 97.8 percent, attended, and the 5 absences were fully justified.

More than 42 percent of the delegates were workers directly involved in production, teaching or services, and more than a quarter of them were women.

Evidence of the higher cultural level of the party's rank-and-file in the province was the fact that almost 33 percent of the delegates at the meeting had gone to university, more than 40 percent had taken intermediate studies and more than 20 percent had completed secondary school. The average age of the delegates at the meeting was 40.

The major provincial party event, which is part of the commemorations of the 30th anniversary of the historic assault on the Moncada Barracks, was preceded by a series of fruitful, wideranging and democratic assemblies among rank-and-file organizations and municipalities. These meetings were supervised by a committee chaired by Jose R. Machado Ventura and including Comrade Jose Felipe Carneado, a member of the Central Committee.

#### Greetings and Appreciation Conveyed at Meeting

When the Central Report, which contained a detailed rundown of the province's political, economic and social work in recent times, was subjected to debate, it prompted some 50 speeches by the delegates.

Interestingly enough, the issue that gave rise to the most speeches was internal party life, on which 21 delegates delivered addresses.

During the discussion of the Central Report, Armando Vila, the delegate from the municipality of Matanzas, proposed that the meeting salute the internationalist workers and combatants from Matanzas who are engaged in missions in other countries. It was approved unanimously.

The delegates had previously approved similar expressions of gratitude to workers in specific sectors.

Reynold Henriquez, the delegate from Jovellanos, proposed that the meeting congratulate the entire population of the province and especially the cane and sugar workers for their extraordinary efforts in the sugar cane harvest. Victor Junco, a delegate from the municipality of Colon, proposed saluting health care workers for their successes in the battle against dengue fever and hemorrhagic conjunctivitis and to keep this the province with the lowest infant mortality rate in the country, and he urged them to keep trying harder to improve health care services for the people.

For his part, Pedro Ramos from Perico proposed a salute to the construction workers of Matanzas and especially to the almost 1,400 internationalists who are doing outstanding work on Grenada and who last year took first place among the Cuban contingents engaged in construction projects overseas.

#### Living Standards

The Central Report contains interesting statistics on the rise in the population's living standard in this province from 1980 to 1982.

Per capita income, for example, exceeded 1,000 pesos in 1982, up 269 from 1980, and retail trade increased by more than 100 million pesos, at an average annual rate of more than 12 percent.

During the period under study, the province posted a rise in the consumption of dairy products, fish, canned meat goods, eggs and other fresh foods, and the supplies of textiles, footwear and leather goods were up.

The report also states that the government completed work on 3,350 housing units and surpassed the goal set for making construction materials available to the population so that they could build more units on their own. Of the total number of units completed during the period, 2,133 were built by the residents themselves.

As far as day care centers are concerned, the capacity per 1,000 children increased 12.4 percent over 1980, and in the health care field, the infant mortality rate was cut to 12.2 per 1,000 live births from 14.5 in 1980.

#### Conclusions

In his concluding remarks, Jose R. Machado Ventura talked about the population's higher living standards and explained that they have to do with "the very essence of our society, with respect for man, with socialism's fundamental law: to meet the population's needs, and with the quality, the care, the promptness and the way in which we produce goods or provide services."

With regard to economic efficiency, which he described as "a priority objective for our party," he said that "to us communists, the road to economic efficiency starts with the efficiency that we achieve in our party work in every sphere." Only in this way, he added, "as brave combatants along the first line of the economic front, will we be able to have a truly decisive influence on all of the society's work."

Elsewhere in his address, he explained that as Fidel has quite rightly and plainly said, "we have to demand that others be demanding of us, and we will achieve this everywhere only if the party takes the initiative and carries it forward itself."

Concerning the report that the Provincial Assembly debated, he stated that one very positive aspect of it was that it informed the province of its own shortcomings and limitations, "and this will enable the party to be in better shape to tackle and resolve them."

He went on to say that although he recognized that the people of Matanzas have worked efficiently, he had the moral obligation to ask them to be even more efficient and productive, because they can be and "because here there is a strong party and an aware, hardworking and revolutionary people."

With regard to the international situation and specifically the threats of aggression by the Yankee government against our country, he proclaimed that "we have been preparing ourselves and we will be in a better position every day to deliver a historic, unforgettable, overwhelming and painful response to imperialism, if they dare try to make good their impossibly absurd aim of turning Cuba into the 51st state of the United States or any other military folly." He added that "we men and women of the anti-imperialist stock of Marti, Maceo, Gomez, Mariana, Mella, Camilo, 'Che,' Celia and Fidel will not allow this."

He concluded his speech by conveying congratulations to the new Provincial Committee and to its Executive Bureau, in particular to Comrade Lazo, and voiced his deep-seated conviction that, as they have so far, the communists of Matanzas will be able to channel the efforts of the entire people in performing the tasks approved by the party's provincial assembly.

#### Las Tunas Meeting

Havana GRANMA in Spanish 14 Jun 83 p 2

[Article by Enrique Sanz Fals]

[Text] "This meeting of communists in the province of Las Tunas comes at a time when, after heroically overcoming adverse weather with an impressive determination to perform and with a superior level of organization of forces and an improved utilization of their machines, the

cane and sugar workers have unquestionably achieved their sugar production goal, accorded their province the honorable status of millionaire in the cutting and have thus confirmed Tunas as a stronghold of the country's economy."

These were the words of Julian Rizo, a member of the Secretariat of our Communist Party's Central Committee, in summing up the evaluation meeting at which party officers in this eastern province were elected or reelected. The meeting was held over the weekend at the Pepito Tey Teachers School in Tunas.

Expanding on this idea, Rizo said that "although the cane and sugar workers of Tunas still have a great deal to do, the results achieved in the province in industrial activity during the 1982-83 harvest represent striking gains." He then gave a rundown of the various achievements according to the indicators. Especially important was the fact that the technical-economic sugar production goal was exceeded by more than 5,000 metric tons, that more than 3.2 million gallons of oil were saved in comparison to 1982, that yield was up 0.84 and that productivity per cutter was up 56 arrobas [1 arroba=25 pounds].

The meeting, which was marked by its depth and creativity, reviewed party efforts over the past  $2\frac{1}{2}$  years. The delegates noted the economic, political and social gains that the province had made, but during the fruitful discussions (more than 60 addresses) their ideas, opinions, suggestions and proposals focused on resolving the major shortcomings in the province, to which party agencies and organizations ought to devote more attention in the future.

This major meeting marked the close of an important period of work and of a fruitful series of evaluation meetings among rank-and-file organizations and municipalities in the province.

In a secret, direct ballot, the 211 delegates present (96.3 percent of the total) reelected Luis Alfonso Zayas and Alfredo Hondal first and second secretaries of the new Provincial Committee, which now has 75 regular members and 7 alternates.

Also elected to the Executive Bureau were Pedro Gomez Valle, Francisco Rodriguez, Julian Lopez, Ervin Gonzalez, Nelson Pena, Jose Cancio (chairman of the Control and Revision Committee), Roberto Ogando, Juan Dieguez, Juan Herrera, Angel Maceo, Nemesio Calderin and Orlando Santiesteban.

#### Resolutions

The first resolution passed by the delegates, on a motion from a woman comrade from the municipality of Jobabo, was to convey to Commander in Chief Fidel Castro, in view of the hysterical threats by Reagan and his best-known henchmen, the firm resolve of the communists and the entire people of Las Tunas "to live with their revolution or to see every last man and woman die beside it."

The meeting also resolved to convey to all people who were involved in the sugar harvest its message of gratitude and congratulations for the magnificent effort they put forth and for the appreciable gains they scored.

Another speech that received the unanimous support of the delegates was made by Enrique Avalos, from the municipality of Majibacoa. He proposed that the new Provincial Committee provide every support and supervisory service to help speed up work on the sugar mill that is being built in his municipality, which he said was 23 percent completed. He went on to say that work is moving forward on 22 project tasks and that with effective support the mill could be completed late next year or in early 1985, which would mean that it would go on line for the 1985-86 harvest. "This would be a fine salute by the province to the party's Third Congress," he stated.

On a motion from Luis Alfonso Zayas, the party meeting resolved to convey its gratitude and greetings to the MININT [Interior Ministry] combatants who did such efficient work this year to win the national award commemorating the ministry's 22nd anniversary.

After a wideranging, beneficial debate covering a range of issues relating to internal party life and the province's production, economic, political and social spheres, the delegates unanimously approved the Central Report, which was enriched by the discussions concerning it.

#### Points in the Central Report

The report states that the party as a whole has strengthened its internal activities and pursued wideranging and fruitful political and ideological work. Among other things, it points out that membership and the number of rank-and-file organizations were up, while the party's makeup improved as blue-collar representation rose from 34.7 percent in 1980 to 41.5 percent in 1982.

In the economic sphere, the report states that during this period the province has achieved a rising production curve. Commercial output, the report states, was up 18.1 and 6.8 percent, respectively, in 1981 and 1982; this was due to higher productivity, not more workers, as the previous evaluation meeting concluded.

The biggest increases over the past 2 years occurred in the communications, industrial, construction and transportation sectors.

These gains notwithstanding, the report notes that certain major indicators are still below par, such as profitability and cost-cutting, to which all levels of the party ought to devote more attention. The work objectives that were approved along with the Central Report, are an effective means of channeling such efforts.

### Major Projects Concluded

During the period in question several major projects were completed. Deserving special mention are the glass bottle factory, the metallic structures plant, the Puerto Padre Hospital and the Las Tunas Hotel (which opened the same day as the meeting, as a salute to it). In addition, more than 1,000 housing units built by the government were handed over, and materials were provided so that other people could build their own. Many other projects are also under way. Several social projects were also concluded, such as polyclinics, athletic facilities, recreation centers, streets, sidewalks and curbs, bus terminals and others.

The report indicates that in 1982 alone more than 10 million pesos in convertible currency were saved in various areas, "although the controls and analyses by commissions or organizations are inadequate."

The report had praise for the achievements of the mass organizations and asserted that "we cannot fail to recognize and salute the self-sacrificing efforts of our workers towards the province's economic and social development, in keeping with the resolution of the Sixth Plenum of our party's Central Committee."

### Julian Rizo's Words

In his summary of the meeting, Julian Rizo said that the party has to learn how to combine Marxist-Leninist theory with the revolutionary practice of the working class and the creativity of the masses, "to abide unwaveringly by the Marxist principle of not only explaining the world but of transforming it. We cannot view ideological problems one way, economic problems another way and the problems of education and culture still another way. In general, they all are part of a complex whole. Therefore, the party has to demand and work for a comprehensive solution to the primary problems involved in spurring the economy, in social relations, culture and communist training. It must aim its ideological work in that direction, fearlessly, bravely and, above all, with a knowledge of the basic facts."

Elsewhere in his address, the member of the Secretariat asserted that our party's cadres and activists must not only be intolerant of indiscipline and negligence but also not waste their time and effort on minor matters and must be able to select those tasks that are truly decisive for attaining our goals."

"The party cannot overlook any failure to meet production goals or any shortcoming in any work or study center. Its constant, unavoidable duty is to take whatever measures will help to resolve a problem and to bring before higher bodies those matters that cannot be taken care of at the grassroots level."

Rizo then concluded: "To the beloved, hardworking people of Las Tunas we send our greetings, and especially to its vanguard sugar workers we convey our gratitude for all of their efforts in the great victory of this harvest."

"Our congratulations also go out to the communists who were elected today to guide this province, especially to our beloved Comrade Zayas, an exemplary revolutionary, a tireless communist, a clean fighter and an enthusiastic champion of the people of Las Tunas."

Also on the dais were Luis Martell Rosa, the secretary general of the Sugar Workers Union and a member of the Central Committee; Pedro Ross, the head of the Department of Transportation and Communications and a Central Committee alternate; Gervasio Hernandez, secretary of the Central Committee commission that handled the process in the province, and other party and government leaders and officials.

#### Ciego de Avila Meeting

Havana GRANMA in Spanish 17 Jun 83 p 2

[Article by Enrique Sanz Fals]

[Text] As Comrade Pedro Miret, a member of the Politburo, was making the concluding remarks at the provincial meeting to assess party work and elect and/or reelection party officers in Ciego de Avila, he was bringing to a close a period of arduous and fruitful party work over the past  $2\frac{1}{2}$  years, a period marked by major accomplishments, albeit not free from difficulties and shortcomings.

The party meeting, which was held in recent days in the assembly room of the party's Provincial Committee, was attended by 218 delegates representing the party's 17,859 members in the province.

Now that the evaluation process is over in the province, the main conclusion that we can draw from it, as Miret noted in his address, is that "the political vanguard of the workers has grown stronger, a reflection, no doubt, of the gradual consolidation of the work of the entire people of Avila."

During the recently concluded period the party has indeed strengthened its guiding role and prepared itself better to discharge that function more efficiently, in keeping with the resolutions of the First and Second Congresses and the other guidelines of the party's upper-level bodies.

The following are some of the positive developments within the party during this period: its rank-and-file organizations and Municipal Committees are functioning better; membership is up more than 1,800 and the number of groups is up by 468; the representation of women

is up 4.7 percent to 18 percent of total membership; and the membership breakdown by job has improved, as workers in production, services and teaching now account for 58.2 percent of the rolls.

Rafael Valdes Valdes and Francisco Herrera Roque were reelected as first and second secretaries, respectively.

The other members of the Executive Bureau are: Justo Martin Rios, Olga Rosa Gomez, Juan Alvarino Armenteros, Everildo Vigistain Morales and Domingo Diaz Garcia, as well as Dagoberto Dominguez Dominguez, Miguel Aguilar Onoz, Dintaris Aquino Diaz, Carlos Beltran Alvarez, Victoriano Parra Perez, Raul Naranjo Santos and Elpidia Hernandez Cardoso.

The first resolution that the delegates passed was to turn every work post into an uncrossable trench if the threats by U.S. administration leaders should materialize.

They also resolved to convey congratulations to the Ciego de Avila internationalists who are on missions in various countries and to the joint brigades of the La Cuba tuber enterprise for their fine performance.

#### Gratitude to the People

At the opening session, Francisco Herrera, on behalf of the meeting, conveyed a message of gratitude to the political and mass organizations and to the people of the province in general for the extraordinary support that they lent to the assembly process, in an eloquent demonstration of the close ties between the party and the masses.

Most of the meeting was devoted to analyzing and discussing the Central Report, which was unanimously approved after being enriched by a wideranging debate. The report noted accomplishments and keenly and critically pointed out the shortcomings and difficulties that have plagued the party's daily political and ideological work and the economic, social and cultural life of the entire province.

During debate on the Central Report, these were some of the points that the delegates stressed: the struggle for the success of the next sugar harvest, on the road to comprehensive efficiency; the strengthening of the MTT's [Territorial Troops Militias] by bringing in new members, mainly women; and supporting and monitoring savings efforts. Other aspects on which the delegates focused their attention and for which resolutions were passed included internal life, marginal production, looking after the schools, health care and the facilities being built to improve related services, and the port-transportation-domestic economy chain, among others.

### Active Involvement of Members

The Central Report approved by the delegates states that the members, rank-and-file organizations and leadership bodies have been actively involved in the tasks designed to guarantee economic development. It acknowledges, however, that it is still necessary to boost the party's influence in the carrying out of technical-economic plans, in the struggle to boost productivity, savings and efficiency, in the demand for work and administrative discipline and in a more appropriate use of human, material and financial resources.

The report states that over the last 3 years gross production posted an average annual rise of 3.7 percent and 7 percent if 1982 is compared to 1980. Nevertheless, it emphasizes that economic efficiency is still not what it should be.

The report also notes that total investment during the period under study amounted to 295,165,600 pesos, with 77 percent going to the production sector.

The report adds that the Provincial Committee has worked consistently on conserving energy and has achieved some positive results, including the salvaging of 490 windmills, 436 of which are already in operation; the startup of 7 biogas units in as many dairy farms, and the incorporation of two generators at sugar mills into the national electric power grid (work is under way to bring others on line).

For its part, the ANIR [National Association of Innovators and Efficiency Experts] contributed more than 4.8 million pesos to the nation's economy last year, significantly more than the year before.

There were also gains in housing construction, as 1,992 units were completed, up 9 percent from the previous year.

The Central Report also notes that medical and dental care has improved both quantitatively and qualitatively because of the increase in the number of doctors, mainly specialists, the acquisition of new equipment and the program to build, expand and remodel health care facilities.

Along with the Central Report, the delegates approved the work objectives for the recently initiated period. They will serve as guidelines for the efforts that the new Provincial Committee will be directing in every sphere of the construction of socialism in the province. The new committee has 83 regular members and 9 alternates.

### Miret Speech

"For us communists but in particular for the communists of this province, analyzing the plans and tasks we have been assigned, as well as the shortcomings we have observed, has been a great experience in improving

management methods and in dealing with the many complex tasks that we have ahead of us," Pedro Miret stated in summing up the meeting.

"The process that draws to a close today has obviously strengthened the party's entire structure in the province," he added, "and enabled us to extract both positive and negative experiences from a work period at all management levels, experiences that will serve as a groundwork for improving the province's work programs, which must be tailored to its characteristics."

Further on, the party leader referred to the work of the Party Instructors and stated that the party's fundamental role "is to train its members, to teach them to work, to carry out political work and to enhance the operations of the rank-and-file organization so that it can exert increasing influence on the working masses and, consequently, on their performance at their work places."

With regard to sugar production, Miret said that although there have been gains over the past 2 years, basic indicators such as yield and economic efficiency are not where they should be.

"As far as the party's political and ideological work is concerned," he went on to say, "Ciego de Avila communists have given evidence of their high level of responsibility, which is reflected in the high level of awareness among the workers and the people in general, who have successfully undertaken a wide range of economic, political and social tasks, as this evaluation meeting has noted.

"It is the view of us comrades who have looked after the assembly process that began a few months ago in the province, that this evaluation of the party's efforts puts it in a better position to successfully assume its future responsibilities, which, as we know, will be more complex than previous ones," he asserted.

In conclusion, Miret expressed congratulations both to the cadres who completed their terms as officers and to the new Provincial Committee, which he wished success in performing its tasks during this new work period.

#### Granma Province Meeting

Havana GRANMA in Spanish 17 Jun 83 p 2

[Article by Jose M. Norniella]

[Text] At a time when the entire nation is preparing to commemorate the 30th anniversary of the assault on the Moncada Barracks, the Third Provincial Assembly of our Communist Party in Granma was accorded special significance by the valuable work done during the entire evaluation process and by the wideranging and spontaneous remarks by the delegates.

This entire work period was dominated first by an arduous and tense struggle to earn the right to commemorate the 29th anniversary of 26 July in the province of Granma and later by the intensive preparations to become a site worthy of this great event.

This period highlighted perhaps more clearly than ever the enthusiasm, the revolutionary fervor, the industriousness and the high level of awareness of the entire population of Granma, which had set lofty goals for itself. It was thanks to these efforts that the province achieved major economic, social and political gains. And it was with this same spirit of tenacious struggle that its people continued working throughout 1982, a worthy response to the appeal that Fidel made on that memorable 26 July in the Plaza de la Patria in Bayamo.

Lionel Soto, a member of the Secretariat of the party's Central Committee and chairman of the Secretariat's commission for this meeting, talked about these positive developments in the province's economy in his concluding remarks and said that these accomplishments should be the foundation on which Granma party members establish as their fundamental task to make Granma a profitable province, which would make possible an improvement in economic and social conditions and an increase in investment.

#### High-Quality Evaluation Process, Central Report and Discussions

In his address, Lionel Soto praised the quality of the evaluation process at all levels and described the Central Report as a profound, critical, wideranging and high-quality document, a document further improved by the speeches of 56 delegates.

Elsewhere in his speech Lionel Soto appealed to the party in Granma Province to focus its attention on the tasks involved in the Economic and Social Guidelines of the 5-Year Period, whose degree of completion will be checked on next year, and on the resolutions of the Sixth Plenum of the Central Committee.

He also underscored the importance of efforts to raise the cadres' cultural level and knowledge of Marxism-Leninism by making proper use of existing facilities and human resources and of making increasing use of propaganda to rally the masses. He also noted the gains achieved in the spheres of education and public health.

Regarding public health, he said that the revolution had quintupled the number of physicians in the eastern region and with its health care programs reduced the infant mortality rate per 1,000 live births from 22.4 in 1980 to 19.2 in 1982, which is the lowest figure ever achieved in this area. Soto went on to say, however, that a great deal of work has yet to be done in this area, because the province has not been able to attain the national average in the important health care indicator of physicians per 1,000 inhabitants.

He also stated that emphasis must be placed on the education and training of workers, because this is a very important element in progress.

#### Good Overall Economic Results in Past 2 Years

In discussing economic activity in the province, Lionel Soto cited as a positive development the fact that for the first time since Granma became a province in 1976, its people had been able to meet their annual production goals in 1981 and 1982, exceeding them by 3 and 7.6 percent in those 2 years. Moreover, local production posted a steady rise over these 2 years. He added, however, that in spite of these accomplishments, the province was not yet tapping all of its reserves to boost economic efficiency as strongly and broadly as the Sixth Plenum of the party's Central Committee called for.

Expanding on this issue, he took the opportunity to point out that unprofitable agricultural enterprises have a decisive impact on the province's ultimate economic performance, in connection with the State subsidies it needs to cover its losses; these subsidies hit almost 200 million pesos last year.

Lionel Soto thus called upon the people of Granma to accord priority to the indispensable task of making their enterprises profitable, so that the province can become more efficient.

#### Production Costs Must Be Cut and the Labor Force Better Organized and Trained

The enterprises that grow tubers, some of which have very high costs, and cane enterprises are particularly unprofitable. There are various reasons for this, such as production plans based on very low farm yields, inadequate use of irrigation and other complementary crop care methods, as well as shortcomings in the organization and supervision of the work force at enterprises, which manifests itself directly in the form of low productivity and the failure to make full use of the workday.

The economic upshot of this was that production costs were more than 2 percent over the 1982 goal, which means that the per peso cost of commercial output rose to 98 cents, while the productivity-average wage ratio, although favorable, was very low at 0.977; in other words, the two indicators were almost identical.

Many of the speeches by the delegates broached this burning problem. Some stated that the cane enterprises had improper work standards, paid very little attention to cane workers after the harvest and suffered from very high transportation costs. Other speakers pointed out that coordination is poor between coffee output and the capacity of the driers, that the coffee fields are not thoroughly harvested and that production estimates are based on a nonexistent number of coffee plants.

There were also references to the high turnover of managerial cadres and to the continual changes in the organizational structure of management, especially in the area of tuber production.

Lionel Soto also referred in his speech to the Sierra Maestra, which covers almost one-third of Granma Province. The party and the government have paid special attention to this piece of land that is so closely tied to the history of the Cuban people in their longstanding struggle to gain true independence, and significant socioeconomic changes are already in evidence. Therefore, Soto took this opportunity to acknowledge the work that the party and other organizations and agencies have been doing in Granma and in particular the attention that the first secretary of the party in the province is devoting to this matter. He emphasized that this is a task that should never be neglected and that must continue to receive even greater attention.

#### Election of New Provincial Committee and Its Executive Bureau

The 252 delegates attending this Third Provincial Evaluation Meeting elected an 86-regular member, 9-alternate Provincial Committee, which at its first meeting reelected Roberto Damiam Alfonso Gonzalez, an alternate member of the Central Committee, as its first secretary in the province.

At the meeting they also elected the other members of the bureau: Jose Antonio Verdecia, second secretary; Enrique Toledo Diaz, organizer; Juan Mok Morin, ideological sphere and education; Roberto Pirez Soler, agricultural sector; Antonio Argamasilla Puga, consumption and services, and Jorge Rodriguez Mas, construction and transportation.

Also on the Executive Bureau are Andres Carballosa, a member of the Central Committee and first secretary of the CTC [Central Organization of Cuban Trade Unions]; Pedro Garcia Lupiane, president of the Provincial People's Assembly; Reynaldo Rey Dubre, chairman of the Control and Revision Committee; Leonardo Guevara Ganardo, first secretary in Bayamo; Daniel Rodriguez, first secretary in Manzanillo, and Pedro Santana, an agricultural aircraft pilot.

Also on the dais at the assembly were Jose R. Machado Ventura, a member of the Politburo; Julian Rizo Alvarez, from the Secretariat; Jorge Lezcano, a member of the Central Committee, and Raul Michel Vargas, an alternate member of the Central Committee and its first secretary in Guantanamo.

#### Sancti Spiritus Meeting

Havana GRANMA in Spanish 20 Jun 83 p 2

[Article by Enrique Sanz Fals]

[Text] The party is the guarantee of the revolution's historical continuity. This statement by Comrade Fidel, which set the tone for the Sancti Spiritus communists' provincial evaluation assembly, had received new strength and currency by the time that the 220 delegates to the great party event departed the festooned Principal Theater in Sancti Spiritus full of plans, ideas and optimism.

The representatives of the provincial working class's vanguard had gathered there to reaffirm the party's strength and validity, to review the work it has done over the past 1½ years and to outline the prospects and plans for the period now under way.

Thinking, analyzing, discussing and putting forth ideas...their sights set on achieving more and more gains and progress for the benefit of the working people, the people in the movie theater were true representatives of Sancti Spiritus's communists and people.

They included men and women of recognized political and labor merit; there were internationalist combatants and workers, combatants in the war of liberation and the underground struggle, founders of the party, heroes of labor. Laborers, peasant farmers, teachers, physicians, construction workers, leaders, young and old...all were there to guarantee the historical continuity of the revolution.

It was in this spirit that the party assembly was held in recent days; it was chaired by Comrade Pedro Miret, a member of the Politburo, who made the concluding remarks. Also on the dais were Armando Acosta, the national coordinator of the CDR's [Committees for the Defense of the Revolution] and an alternate member of the Politburo; other regular and alternate members of the Central Committee, and Joaquin Bernal Camero, a Central Committee alternate who was reelected party secretary in the province.

#### Fruitful Debate

During discussion of the Central Report the delegates spoke on a wide range of issues. For example, the speech by delegate Sonia Lopez, from Cabaiguan, gave rise to a lively debate on medical ethics. After listing the gains that the province has posted in the area of public health, Sonia said that it occasionally happens that when a patient is sent to a provincial hospital from another local center, the doctors who see him there tell him that his case was very simple and could have been taken care at the polyclinic, which, she remarked, tarnishes the prestige of the local physician. She added that this should not happen and proposed including the following in the report: "to continue working for strict adherence to the principles of medical ethics."

Another statement that prompted several speeches was made by Dulce Maria Fernandez, from Trinidad, who called attention to the many students at schools in the countryside who present medical certificates that enable them to avoid doing farm work. She said that she thought that

our young people were in better health than that, adding that in her view this was a problem that should be looked into by student organizations, the various public health bodies and the party's rank-and-file organizations in schools, making it one of their main work goals.

Another delegate mentioned a significant piece of information on this same matter. He said that some of the boys who have presented a certificate excusing them from farm work are nevertheless fit for Military Service. After hearing the views of other delegates, the assembly endorsed the motion by the delegate from Trinidad.

Other motions had to do with health care at schools, the storage and conservation of fertilizers, support for the sugar harvest, aspects of internal party life and others.

The Central Report, which was approved unanimously after being enriched by the delegates, offered a critical outline of 30 facets of the province's economic, political and social problems, as well as internal party life and its political and ideological work.

The report points out that gross production was up 15 percent and commercial output was up 18 percent in 1982, acknowledging, however, that efficiency was not good.

The report adds that the population's living standard has risen. In this regard, it says that real income climbed 21 percent last year and the total consumption of goods and services was up by 10 percent.

Over the past  $2\frac{1}{2}$  years, investments totaled 430 million pesos, which is 2.2 times as much as in the previous  $2\frac{1}{2}$  years; 88 percent of the investments went into production.

#### Sugar Production Up

The report also lists the following other accomplishments: sugar production is up 11 percent from 1980; the technical-economic plan went 4 percent over its goal; industrial yield increased by 1.2; oil consumption was cut to zero; industrial capacity increased by 245,000 arrobas; sugar quality improved, though not according to all criteria; transportation was better, and the warehouses assigned to this activity received proper maintenance. The more than 19 million in investments over the past 2 years were a factor in achieving these results.

During the period under study health care services have been expanded, and the quality of medical care has improved.

The party, in turn, has grown stronger and expanded its membership. The membership drive has aimed mainly at bringing in more laborers.

After the Central Report and the Work Objectives were approved, the assembly elected the new Provincial Committee, which is made up of 75 regular members and 9 alternates. In its first meeting the committee elected its Executive Bureau and reelected Joaquin Bernal Camero as first secretary and Luis Gonzalez Acosta as second secretary.

The Executive Bureau also includes Dagoberto Perez Perez, Pedro Rodriguez Diaz, Mario Rodriguez Valero, Oliver Lorenzo Mirabales, Marcos Reloba Batista, Rafael Gonzalez Rodriguez, Adalberto Lopez Leyva, Hipolito Rodriguez Migoyo, Ramon Covas Rodriguez and Heriberto Leon Mendez.

It was learned at the meeting that prior to the assembly process the political and mass organizations had more than met the commitments they had made to salute the party's provincial assembly. Two of the main achievements were having the province declared a seven-figure manual cane-cutting province and saving more than 5 million pesos in fuels, lubricants and raw materials.

#### Conclusions

"This assembly should be our starting point for resolving the problems that the province still has and for beginning, as soon as we leave this hall, a resolute struggle to achieve the goals that we have discussed and decided on. This will be the main function of the Provincial Committee and the Executive Bureau that were elected today," said Pedro Miret in summing up the assembly.

He commented on the successes and failures in several branches of production, adding that "we are also pleased to be able to acknowledge here that the province has successfully carried out the coffee salvaging program. And we are also pleased to note that rice production has posted steady growth throughout the period."

He stated later on that "it is our responsibility to see to it that the operating capacity at all our factories is utilized to the maximum and that new plants and investments start up on schedule." He also stressed the need to substantially boost the production and salvaging of spare parts, especially salvaging, "inasmuch as we have seen the economic advantages of this activity..."

At another point in his speech Miret stated: "You have great responsibilities ahead of you, but they can all be summed in one goal: to guide the work of all Sancti Spiritus residents so as to insure that the requirements for building socialism are met and, in particular, to lend our every support to the strengthening of our Revolutionary Armed Forces and the Territorial Troops Militias."

He concluded by congratulating the comrades who were elected, wishing them much success in the tasks that they will be undertaking.

With their presence, their opinions, their suggestions, their judgments and their motions, the communists of Sancti Spiritus reaffirmed that the party is the guarantee of the revolution's historical continuity.

### Pinar Del Rio Meeting

Havana GRANMA in Spanish 21 Jun 83 p 2

[Article by Jose M. Norniella]

[Text] Pinar del Rio--"The struggle for efficiency, productivity, conservation and rationalization is the first and most important task of the party's administration and organizations, which must become the standard-bearers of the struggle to make the most efficient use possible of material, human and financial resources, above all by demanding that each person do his full share in this difficult battle," stated Antonio Perez Herrero, an alternate member of the Politburo and a member of the Central Committee's Secretariat, in summing up the Party Evaluation Assembly in this province.

Jose R. Machado Ventura, a member of the Politburo; Antonio Perez Herrero, an alternate member of the Politburo; Jaime Crombet, from the Secretariat, and other party leaders and officials presided over this evaluation meeting, which met for a single day in the theater at the Federico Engels Vocational School in Pinar del Rio.

The party assembly, which was attended by 282 delegates, elected the new Provincial Committee, which has 89 regular and 9 alternate members, who in turn elected at their first meeting a 13-member Executive Bureau. Orlando Lugo Fonte, an alternate member of the Central Committee, was chosen first secretary of the party in the province, and Luis Enrique Peguero Breijo was confirmed as second secretary.

The other members of the Executive Bureau are: Angel Morejon Leon, Leonel Valdes Alonso, Roberto Hernandez Monsegui, Lazaro Rodriguez Fundora, Julian Fernandez Santos, Emilio Pimienta Veloz (president of the Provincial People's Assembly), Orlando Gutierrez Hernandez, Manuel Alvarez Alvarez, Heriberto Morales Ruiz, Raul Mena Iviricu and Julio Lemus Hernandez, who was also reelected chairman of the Control and Revision Committee.

Lugo Fonte was in charge of presenting the Central Report and moderating the debate. Some 60 delegates took part in the discussions on this important party document, addressing almost 20 of the issues in the report, the most important of which had to do with problems in agriculture, the cooperative movement, the overall economy, education, public health, internal party life, party ideological work, energy conservation, defense and others.

After acknowledging the outstanding gains that Pinar del Rio made during the assembly process, which evidenced the maturity attained

by the rank-and-file organizations and various levels of party leadership, Perez Herrero pointed out that "at our assemblies we can still see unnecessary formalities that hamper analysis and distract the attention of the participants, and at many of them we are not critical enough."

He then said that regrettably criticism is still sporadic, as well as a shopworn tool for reproving improper attitudes and individual shortcomings.

In his address Perez Herrero mentioned several shortcomings in the Pinar del Rio economy, such as the below-par results of the farming and transportation sectors, whose performance was worse than in 1981; the lower growth of productivity than average wages; the fact that the goals for export items were not met, and the fact that all of the objectives set for performance-based pay were not achieved. In this regard, he said that these poor results were due mostly to adverse weather and many other objective problems but that administrative and management factors were also involved. Taken together, all of these factors have created serious profitability problems in the province.

Delving further into the problem of inefficiency, Perez Herrero argued that much of the responsibility for this situation lies with the enterprises that are not profitable and that the party and other State organizations should give these enterprises priority attention. The party should also focus on another group of enterprises that are profitable but inefficient; in other words, their profits are due to economically favorable factors that have nothing to do with good management.

He then urged all levels of the party everywhere to vigorously and resolutely express their determination to reverse the situations that cause average wages to increase faster than productivity. He then also made the same appeal regarding our export stocks, on which, he said, "the country must rely to overcome its acute foreign exchange shortage and to make headway in carrying out its economic and social development plans."

Delving further into the problems of a socialist economy, Perez Herrero asserted that this "is not an exclusively technical, much less a bureaucratic problem; it involves a series of processes on which the level of awareness of workers and cadres exerts a decisive influence." He then stated that "these increasingly influential subjective factors dictate the role of the party, which must not only be demanding of management but also arouse the enthusiasm of the masses, most of all the working class."

"The party does not administer," he said, "but in order to play its guiding role in the economy, it must monitor the behavior of fundamental indicators. As far as the party is concerned, the essential thing is sustained productivity growth, efficient conservation steps, work discipline, rigorous investment and expenditures planning, strict administrative and financial standards and, above all, efficiency in social production."

He then stated that "of course the party is not just interested in quantitative, numerical indicators. All of its efforts are aimed at achieving a proper climate for spurring on the enormous tasks that must be undertaken and at getting the masses to understand their role in the building of the new society. Developing this climate is the fundamental goal of the entire party and in particular of its ideological work."

Addressing the issue of ideological work, Pérez Herrero reminded the delegates that it is a proven fact that such work must not be neglected and that even though it is not an end in itself, it is a means of raising the revolutionary awareness of the masses and promoting their involvement in socioeconomic development efforts.

Elsewhere in his speech he pointed out that it is just as mistaken to conclude that progress in economic and social development automatically implies a heightened revolutionary awareness as it is to claim that propaganda and agitation can replace work supervision and organization. In this regard, he stressed that we must combat the tendency to view ideology and ideological work as divorced from concrete problems and without direct links to job attitude, the care of social property, waste and other problems in production and social life.

"When viewed in its actual complexity," he went on to say, "ideological work has a decisive influence on success in production and services. This is demonstrated by the fact that the best way to insure that work gets done is to see to it that the workers and cadres on every front are aware of their social responsibility, people who are convinced of the advantages of collectivism, revolutionaries and communists, simple men and citizens who want the best for their country and whether in high-level or humble jobs are always ready to struggle to achieve the historic goals that they have freely taken upon themselves."

In his address Pérez Herrero also talked about the enthusiasm and dedication of the party members in Pinar del Rio, who alongside the entire working people were an undeniable factor in the social and economic strides made since the previous evaluation assembly a short time ago. The earlier meeting had quite rightly stressed that social and cultural gains must always be backed by a similar or more intensive program for production. He then recalled that Pinar del Rio's response was to pursue an economic policy based on earmarking 76 percent of investment for the production sector.

Pursuant to this policy, during this brief period work was completed on 18 major industrial projects, 21 agricultural projects, 9 health care projects, 13 educational projects, 5,000 housing units and a growing number of social projects; the road network was expanded and upgraded; reservoir and irrigation capacity was increased, and the labor pool was reduced.

The following were some other accomplishments: work in the tobacco fields was made a top priority, and as a result the province recorded the best harvest in its entire history; more than 1.6 million quintals of citrus fruits were harvested; coffee production was up; the decrease in the livestock herd was halted, and the province recorded its largest sugar production in 1982, even though it was unable to meet its goal.

"All of these successes were achieved amid exceptionally adverse natural conditions," Perez Herrero asserted.

Perez Herrero also talked about the strides in the areas of public health and education and recalled that "Pinar del Rio plays a major role in the country's defense, which has promoted wideranging involvement of the masses in these decisive tasks."

In conclusion, he hailed the work of Jaime Crombet, who recently moved over to the party's Secretariat. He remarked that it was unnecessary to point out his merits and virtues and that, moreover, this would offend his well-known modesty. Nevertheless, he has "our greetings, the love of the people of Pinar del Rio and the applause of all of you here, who helped him so greatly in fulfilling his party mandate while in Pinar del Rio."

#### Guantanamo Province Meeting

Havana GRANMA in Spanish 23 Jun 83 p 2

[Article by Jose M. Norniella]

[Text] Earning the right to host a national ceremony commemorating 26 July is one of the province's most coveted goals. With this lofty honor as their incentive, the people of Guantanamo are conducting a wideranging and enthusiastic emulation encompassing every sphere of economic, political and social life, in all of which it has brought about major gains.

Guantanamo's ambition is to host the 26 July commemoration and it has worked long and hard all these years to achieve this. The recent Provincial Party Evaluation Assembly assessed the results so far and concluded that the province was in a position to make much greater headway.

In summing up the Evaluation Meeting in Guantanamo, Lionel Soro Prieto, a member of the party's Secretariat, gave assurances that the province would host the 26 July celebration. He then went on to say: "We have no doubt about it, but you have to exert great efforts, to redouble your efforts and to do more than what you have been doing so far."

The Evaluation Assembly was keynoted by its emphasis on what remains to be done, on what has been done inadequately and on what has been done but could have been done better, rather than on what has been

accomplished. It was also characterized by the many delegates (more than 80) who took the floor during debate on the report to complement and enrich it with 74 motions.

Referring to the course of the meeting, Lionel Soto said: "I have the impression that a magnificent Party Assembly has been held in the province of Guantanamo." He also asserted that the speeches had broached the province's main problems in achieving progress and development.

#### Guantanamo Enterprises Must Become Profitable

One of the main points in Lionel Soto's address was the urgent need to make Guantanamo's enterprises profitable. He had the following to say about this burning issue:

"The unprofitability of many enterprises in this province is an issue that we have to view in perspective. This is a highly subsidized province. The report tells us that only 23 of its 65 enterprises are profitable."

This is a serious situation. Only 6 of the 23 agricultural enterprises are profitable; In industry, only 8 of 26 post profits, and losses were posted by all the sugar enterprises, the ball-point pen factory, the soft drink plant, the chocolate factory, the canned vegetable enterprise, the flour derivatives enterprise, the dairy products enterprise and the construction materials industry. The most important enterprise in the construction sector is operating at a loss. The same goes for two bus enterprises. Although the province succeeded in cutting costs per peso of output, they are still very high at 1 peso 11 cents.

With regard to this problem Lionel Soto remarked: "We must work with perspective and move vigorously towards the goal of eliminating unprofitability and achieving profitability in the future." He went on to say that "a few days ago the Secretariat of the party's Central Committee made the decision to have enterprises operating at a profit in the country by the end of the year."

#### The Struggle for Profitability Is a General Struggle for the Economy

Further on he said that "the struggle for profitability is a general struggle for the economy; it is a struggle to make economic accountability real. In other words, you cannot operate at a loss. It ruins a province and it ruins a country. Costs have to be covered and profits earned. We have to make a profit and thus promote the development of the economy and social services."

Lionel Soto stated that the Program of Measures agreed upon by the party and the government is a very important rallying point for achieving the goal of boosting economic efficiency. Another Program of Measures

will again be drafted next year as a working method. And in 1984 we will gauge the results of the first 3 years of the 5-year period in terms of the Economic and Social Guidelines approved at the party's Second Congress.

"We are witnessing a major process of analysis of all activities, of all the tasks before us, but we are doing so with an economic sense of what we have done, what we are doing and what we are going to do."

#### Internal Party Life Important

Because of the great many speeches and the interest shown by delegates in enhancing the party's mechanisms and organization, so as to eventually master economic issues in their enterprises, Lionel Soto broached the issue of the party's internal life in his address. In this regard, he said that the party and all its members must get to know, become involved with, guide and lead the working class wherever the organization might be. "Therefore," he concluded, "the party takes care of its internal life," because this is the only way to guarantee its suitability, to become involved in society and to incorporate the finest people in society into the party, because "this is the purpose of the party's efforts," he noted.

Discussing economic development, he said that Guantanamo is the most backward province in the country and that not only the people of Guantanamo but the entire nation must make an enormous effort. He went on to say that "if we must struggle for Cuba's overall development, we must try at least three times as hard in Guantanamo to boost its current level, and this necessarily entails concerted action by the country."

He also stated that Guantanamo is on the rise in every sphere of activity and listed several of its major successes. He mentioned, for example, that the province's recent coffee harvest was the largest in its history, more than 170,000 quintals. He had the following to say about this fine product: "Coffee is gradually becoming as important as or more important than cane, and it has better prospects from the standpoint of export stocks."

He subsequently broached a series of very complex problems to which solutions must be developed rapidly, problems such as water, irrigation and the work force. He described cooperatives as essential to the development of socialist relations of production in the countryside.

In conclusion, Lionel Soto referred to the defense of the country and to bolstering the activities of the Territorial Troops Militias, because "we are faced with a barbarous enemy with plans for war and invasion, with plans for nuclear war against socialism, and we cannot rest on our laurels for a single minute."

## The Party's New Provincial Committee and Its Executive Bureau

The 202 delegates to the Evaluation Assembly elected the party's new Guantanamo Provincial Committee, which consists of 69 regular and 9 alternate members, who at their first meeting appointed the 13-member (7 are professionals) Executive Bureau.

Raul Michel Vargas, an alternate member of the Central Committee, was reconfirmed as first secretary in the province. Silvano Linares Viltres holds the post of second secretary. The other members of the bureau are Ramiro Orozco Cespedes, Miguel A. Borrego O'Connor, William Ganen Ganen, Juan Elizatigui Figueroa, Lorenzo Mok Morin.

The nonprofessional members are Arsenio Dopazo Carrillo, who serves as chairman of the Revision and Control Committee; Alberto Martinez Duran, president of the People's Provincial Assembly; Angel Manuel Valdes, Nieves Alemany Aguilera, Luis Bonne Creagh and Alejandro Fernandez Diaz.

On the dais at the assembly were Jorge Risquet Valdes, a member of the Politburo; Antonio Perez Herrero and Miguel Cano Blanco, alternate members of the Politburo; Lionel Soto Prieto and Julian Rizo Alvarez, from the Secretariat, and Roberto Damian Alfonso, an alternate member of the Central Committee and its first secretary in Granma.

### Cienfuegos Province Meeting

Havana GRANMA in Spanish 24 Jun 83 p 2

[Article by Enrique Sanz Fals]

[Text] Reviewing the work done by the communists and people of Cienfuegos over the past  $2\frac{1}{2}$  years, the delegates to the party's provincial assembly commented on the party's strength, maturity and organization and the gains in various economic activities, mainly farming and the sugar harvest, as well as in social life.

In spite of the accomplishments listed in the Central Report, Comrade Jose R. Machado Ventura, a member of the Politburo of the party's Central Committee, emphasized in his concluding remarks that there are still many "problems, shortcomings and inadequacies that the party must work boldly to resolve."

The most important meeting of Cienfuegos communists was held recently at the Terry Theater in the "pearl of the south" and was attended by 201 delegates representing the more than 15,300 party members in the province.

During the event, a delegate from Cruces gave Comrade Humberto Miguel Fernandez, the first secretary of the party's Provincial Committee,

a check for 64,000 pesos, the proceeds from a contribution drive in that municipality, to help defray the costs of the MTT's.

Another delegate made a motion, which was passed unanimously, to salute 5 September by completing the yearly fund-raising goal for the MTT's by that date.

Humberto Miguel Fernandez and Vicente Antonio Muniz were reelected first and second secretaries, respectively, of the new Provincial Committee, which consists of 77 regular members and 6 alternates.

The other members of the Executive Bureau, chose by the Provincial Committee at its first meeting, are: Lutgarda Balboa Egues, Felix Hernandez Suarez, Gerardo Alvarez Ruiz, Gerardo Rodriguez Gonzalez, Argelio Almeida Sanchez, Julio Pino Tome, Reiner Regal Reyes, Jose R. Garcia Gil, Francisco Hernandez Delgado, Nerey Sando Osorio and Antonio Gonzalez Rodriguez.

In introducing the Central Report, Humberto Miguel described as positive the bottom line on the work done by the party, the government, enterprises, units and agencies in general during the period in question. This, he said, was made possible by the self-sacrificing and sustained efforts of our entire people who, with the communists in the lead, have not skimped on efforts and sacrifices to carry forward all of the tasks indicated by the party and Fidel, even under difficult circumstances.

He pointed out that over the past 2 years gross output and commercial production increased at an average annual rate of 10.9 and 11.4 percent, up 22.9 and 24.1 percent in 1982 from 1980. At the same time, costs have been cut.

#### Four Straight Years of No Oil Consumption

"Sugar production has posted steady growth, as the average of the 1980-81 harvests was 75,700 metric tons higher than the average for the 1976-80 5-year period; this is equivalent to 16 percent," said the party leader, adding that for the 4th year in a row no oil was consumed in producing raw sugars.

Humberto Miguel stated that annual growth in the construction sector, including production projects, was 37 percent when compared to 1980.

He then said that during this period a major number of industrial projects have gone on line, foremost among which are the Karl Marx cement plant, the 5 de Septiembre sugar mill, the fodder plant, five collection centers, the health care polytechnic, the Rancho Luna motel, the underground coaxial cable, the intensive care room at the Pediatric Hospital and the polytechnic of the CEN. [Nuclear Power Plant]. He went on to say that the nuclear power plant and oil refinery projects have received special attention.

The party's first secretary in Cienfuegos stated that the housing units completed during the first 2 years of the 5-year period, including low-cost units, represent 86 percent of all those completed during the previous 5-year span, although the planned goals were not met.

He also noted that public health services are expanding and that graduating classes in recent school years have scored quantitative and qualitative gains in most disciplines.

As far as internal party life is concerned, he said that operating levels have improved, external sanctions are down and membership is up 9.4 percent; in addition, the political and cultural level of the cadres and members has risen.

"These results aside, there are still shortcomings and difficulties in our work, and they have prevented us from achieving even greater successes. Therefore, in our daily activities we must always bear in mind the resolution of the Politburo and our commander in chief's appeal for a demanding approach and efficiency," Humberto Miguel remarked.

A wideranging and lively debate was then conducted on the Central Report, which accurately and critically broaches the province's most important activities during the period in question. One of the first resolutions of the assembly was an appeal to the party's rank-and-file organizations in the sugar industry to monitor the performance of repairs at the sugar mills so that they are ready when the upcoming harvest begins.

#### Higher Yields

The delegates also came out in favor of boosting yields, properly utilizing irrigation systems, enhancing the quality of cultural opportunities and voiced views on other aspects of cane growing.

The party assembly also devoted time to and passed resolutions on public health, education and science, culture, sports and recreation, occupational safety and health, noncane agriculture, livestock, coffee, the development of the cooperative movement, basic industry and other activities.

In summing up the assembly, Comrade Machado Ventura said that internal party life is occasionally confused with party operations. The latter, he noted, is a much broader concept. "When we talk about operations, we are referring to preparing the party to influence and participate in all economic activities, in the ideological sphere, which is so important for members, in production and in services," he asserted, adding: "In other words, in everything that members ought to get involved in and come to know, everything that a rank-and-file organization ought to handle to exert a truly positive influence on a work center."

"This," he noted, "is true party operation, and we have to achieve it through the training of members, an awareness of the regulations and of the basic documents that govern party life, through their political and ideological training, their cultural enhancement and their solid knowledge of the problems at their work center, the problems of production, of education, of services, their relations with the mass organizations at the work centers. This is proper party operation."

#### Criticism and Self-Criticism

Elsewhere in his address he stated that the resolutions of the Politburo and the Secretariat on a demanding attitude, criticism and self-criticism must always be kept in mind. He stressed that regardless of their date of issue, these are documents that have permanent currency.

Machado Ventura then stated that criticism and self-criticism must be a feature of both members and rank-and-file organization meetings, "not so that they are employed out of obligation, mechanically, as before, but so that members keep them in mind and act accordingly when necessary."

"This province has undergone great development in recent years," the Politburo member then asserted. "There have been gains in industrialization, in construction and overall. This is due to the work of the people of Cienfuegos, of State agencies, of the People's Government and of the party, as is to be expected."

In addressing the issue of education, he stated that "we cannot feel satisfied as long as we know that there are still some problems at our schools."

"The duty of a communist," he said, "is not only to do his job and be self-sacrificing at work; a communist must also have an influence on his work place, on where he lives and on his own family, especially in terms of his children's upbringing."

"It is the duty of all communists," he added, "to try to see to it that their families, their children develop the best habits and to bring their children up according to the standards of our society and the dictates of good manners."

Later on Machado Ventura said that the party in the province, the mass organizations, the UJC and the People's Government must continue devoting special attention to the defense of the homeland. He stressed the need to give priority attention to the combat and political training of the reservists in our glorious Revolutionary Armed Forces and of the members of the MTT's, to updating the Military Register at work centers, to the self-financing of the MTT's and the creation of new units, and to the drafting and enhancement of the plans for resisting and repelling any aggression.

"Along with the defense of our homeland," he emphasized, "we must continue to devote the necessary attention to production, services and the ideological training of the masses."

In conclusion, the Politburo member stated: "We communists cannot be complacent; we must always aspire to and set higher goals for ourselves. The conditions for this exist, because this process has strengthened the party; we are more organized and have more experience, and our workers and the people in general have shown a magnificent, enthusiastic and strong willingness to continue strengthening and carrying forward the revolution."

Santiago Province Meeting

Havana GRANMA in Spanish 7 Jul 83 p 2

[Article by Rene Camacho Albert: "Santiago People Won Site to Celebrate 30th Anniversary of 26 July, Must Remain Ahead in Fight for Development"]

[Text] Santiago de Cuba--Jose Ramon Machado Ventura, a member of the Politburo, said that the party had become noticeably stronger in this province at the end of the assembly process which analyzed the work done during the 2 years and 7 months since the last provincial assembly. Work objectives were established for the recently initiated period.

Machado Ventura presided over the assembly of Santiago communists along with Julian Rizo Alvarez, a member of the Secretariat of the CC [Central Committee], and Jose Ramon Balaguer Cabrera, a member of the CC and first secretary of the party in the province. Guests at the assembly included Roberto Damian Alfonso, first secretary of Gramma Province, and Raul Michel Vargas, first secretary of Guantanamo Province, both alternate members of the CC of the party.

When Machado Ventura summed up the assembly, he indicated that the analysis and discussion of the period of work between the last assembly and the one held last Saturday verified that the people of Santiago acted according to tradition and won the site for the main celebration of the 30th anniversary of the attack on Moncada Barracks through mature and serious work. Now they "must also be capable of remaining ahead in the daily struggle for the economic, social and political development of our country."

He praised the presence of laborers in the ranks of the party in general and the leadership in particular. He also had encouraging words for the levels of advancement reached by the political leaders in the province. He spoke extensively about the importance of ideological work. He said that, due to its decisive influence, it is indissolubly tied to the results of production, services, educational, cultural, sports and scientific work and all social development.

He stated very emphatically that all the members, the mass organizations, the state organisms and all revolutionaries were responsible for ideological work.

He spoke about the invaluable role of a critical and self-critical spirit in the formation of a communist, a revolutionary. He stressed that it is necessary to practice these and educate oneself in order to correct deficiencies.

Machado cited economic and educational achievements and the consolidation of cultural work in the province. He emphasized the growing development of the mercantile production plans in the province that have made it one of the three with best results in the country. He repeated that the task is to continue fighting for profitability, the creation of exportable stock and conservation. These are basic premises.

Machado congratulated the people of Santiago for winning the national site for the celebration of Agricultural-Livestock Workers Day. He said that it is necessary to constantly strive for cost-effectiveness and profitability and achieve self-supply in the agricultural and cane enterprises. He called it a notable achievement that the province reported 87 percent of its enterprises in this branch profitable in 1982. It and Matanzas were the most profitable provinces in agriculture.

He also praised the good results of the sugar and coffee harvests and work in other economic branches.

Machado said that the people feel, know and understand that they can only achieve social development through economic efficiency. He emphasized that the notable achievements in this territory are totally the successes of the Santiago people and their communist vanguard.

The Politboro member congratulated the provincial committee and executive bureau elected at the assembly and, especially, Jose Ramon Balaguer Cabrera for his work as first secretary of the province. He congratulated the people of Santiago and their communist vanguard.

The Party Provincial Assembly met all day last Saturday in the auditorium of the Higher Institute for Medical Sciences in this city. It opened with the National Anthem and then a minute of silence in homage to the memory of Arnaldo Milian Castro, deceased member of the Politboro who was buried that day. (Earlier the delegates had paid homage to the memory of Marti at the mausoleum where he is interred and to Che Guevara and the heroes who died with him at the monument to the guerrillas.)

Santos Godoy Hernandez, alternate member of the CC who was confirmed as second secretary of the party in this province by the assembly, opened the meeting. He reported on the work done throughout the province in the first 5 months of this year as a salute to the assembly itself and to the 30th anniversary of the attack on Moncada. There were many economic and social accomplishments. He announced that 38 construction projects of economic and social interest had been completed to date and another 68 were under construction as a salute to 26 July.

A lengthy document included the main report and work objectives of the review assembly which contained 137 points. It was studied by the 292 delegates to this event and, after discussion, was unanimously approved.

In a rich, in-depth and polemic discussion, the delegates contributed elements that they felt should be inserted in the report or the work objectives. One thing stood out: the passionate desire to act.

That report included the achievements and problems of the period that the assembly analyzed based on the guidelines of the Second Party Congress and the objectives outlined for that period.

The report stated: "The economy was characterized by a sustained growth and stability in fulfillment and overfulfillment of the plans in all the economic

sectors. The delays existing on 30 June were overcome in the second half of 1980. Also that year the mercantile production plan was overfulfilled by 1.7 percent and there was 7 percent growth. In 1981, the plan was overfulfilled by 6.9 percent and there was 12.5 percent growth. In 1982, the overfulfillment reached 7.2 percent and growth was 7.5 percent.

"From 1980 to 1982 all the economic sectors fulfilled or overfulfilled the mercantile production plan and showed growth.

"Favorable results have also been achieved in fulfillment of the plan and there is steady annual growth in trade. Retail mercantile trade grew 13 percent from 1980 to 1982, an increase in mercantile value of 59.6 million pesos.

"The movement for the greatest number of enterprises and establishments to fulfill their annual plan by 30 November has been a decisive factor in fulfillment and overfulfillment of the plans. This is in homage to that date and to insure overfulfillment in the annual plans so that the province can fulfill the economic programs of the 5-year period 1981-85 early."

This is only a sample of what was achieved and analyzed by the Santiago communists during their assembly last Saturday. Their accomplishments are part of a serious ideological movement in search of true model units in sugar production, agriculture, basic industry, construction, transportation and communications, food and light industry, public health, fishing, community services, education, culture and sports and, especially, trade, food services and services to the people. The report covered the work of the people's government, the judicial organs, defense, the mass organizations and every aspect of the party.

When the assembly finished discussing and analyzing this report, a direct, secret election was held for the 93 members and 10 alternates of the Provincial Party Committee in Santiago de Cuba. In its first meeting, the newly elected committee elected the executive bureau of the province. It was made up by the following comrades: Jose Ramon Balaguer, Santos Godoy Hernandez, Francisco Garcia Ferrer, Carlos Sarabia Hernandez, Narces Lopez Vazquez, Felix Mojena Beltran and Juan Antonio Rosas Pena. The following were elected as nonprofessional members of the executive bureau: Eddy Fernandez Boada, Eduardo Fraga, Evidio Gomez, Nora Pierre Doloris, Gilberto Orozco and Ricardo Martinez. Pedro Fernandez Cabrera was confirmed as head of the Party Review and Supervision Committee in Santiago.

#### Camaguey Province Meeting

Havana GRANMA in Spanish 7 Jul 83 p 2

[Article by Ariel Garcia Suarez: "Major Goal of All Camagueyans Is to Make Province Profitable in Coming Years; We Have No Doubt It Will Happen"]

[Text] Camaguey--After an exhaustive analysis of the main negative economic factors in this territory, Jorge Risquet Valdes, a member of the Politburo, explained in detail their most obvious effects. Then he stated: "The major

goal of all the people of Camaguey is to make the province profitable in the coming years. We have no doubt it will happen."

Risquet made that statement as he summed up the Provincial Assembly of Review, Renovation and/or Ratification of the Mandates of the Communist Party in Camaguey which he and Lionel Soto Prieto, a member of the Secretariat of the CC, presided over. The assembly was held last Saturday morning and afternoon in the auditorium of the Gen Maximo Gomez Baez Vocational School in the Camaguey capital.

The 303 delegates to this important meeting of the Camaguey communists elected 95 members and 9 alternates to the provincial committee. In their first meeting, these confirmed Lazaro Vazquez Garcia as their first secretary and Luis Rodriguez Hernandez as second secretary. The other five professional members of the executive bureau were reelected: Marcial Dacal Adan, Carlos Galiano Canto, Luis Brito Jimenez, Manuel Chaos Piedra and Evis Blas Gonzalez Martinez. The nonprofessional members of the bureau were also elected: Jorge Torres Hernandez, Juan Antonio Bravo Mendez, Aldo Sanchez Ramos, Antonio Parada Garcia, Emilio Hernandez Sanchez and Jose Ruiz Campos. Facundo Martinez Vaillant was confirmed as chairman of the Party Supervision and Review Committee.

Lazaro Vazquez read the summary of the main report. It covered aspects of the internal life of the party, political and cultural progress, revolutionary orientation work, the UJC [Union of Young Communists], student and mass organizations, the overall economy, sugar production, agricultural-livestock production, construction, basic and steel-mechanical industry, consumer goods and services, transportation and communications, educational work, science, culture and sports, public health, people's government organs, justice organs and military institutions.

The tasks fulfilled by the Camaguey workers as a salute to the Provincial Party Assembly and within the framework of the emulation for the 30th anniversary of the attack on Moncada Barracks and the enthusiasm of the Resolution of the Sixth CC Plenum included: the construction of economic housing in important agricultural-livestock zones; progress in the work on the new Jesus Suarez Gayol sugar mill; the planting of more than 2.8 million tree seedlings; organization of more than 51 percent of the land of the private sector into cooperatives; progress in the execution of industrial and social projects; and innovations and efficiency improvements worth more than 17 million pesos.

At the same time, important objectives were met like: the youth economic initiatives promoted by the UJC; overfulfillment in money contributions by the FMC [Federation of Cuban Women]; and the willingness of 122,662 Camaguey women to join the MTT [Territorial Troops Militia]. The CDR [Committees for the Defense of the Revolution] had 127 percent fulfillment in blood donations and the strategic exercise Bastion 83 was carried out successfully with the participation of the working people.

The discussion of the report was broad and intense, especially concerning party matters, agricultural-livestock production (insemination and improvement of pasture) and the development projects in the peasant zone of Camalote.

### Jorge Risquet's Speech

In his speech, Risquet praised the very positive nature of the main report. As it analyzed each activity, "along with the explanation of what was done and the accomplishments achieved, it pointed out the inadequacies and problems that persist. Then it presents the lines of action for the party to encourage the work and correct the problems indicated."

He reaffirmed: "This is the communist way to examine reality: with perspicacity and depth, with a critical and self-critical spirit, without self-satisfaction, with intransigence toward what has been poorly done and with a desire to overcome obstacles and incessantly pursue improvement."

He referred to aspects of the internal life of the party and expanded on the work of growth. Risquet indicated: "It is necessary to exercise stricter control over the labor composition of the members, maintaining the emphasis on the categories of laborers and tied workers."

He also pointed out aspects of the cadre policy. He stated that their selection, placement and promotion must always be based on an in-depth and objective analysis of each cadre, not on other elements such as friendship, relationship, emotion, appearance, regionalism or other subjective factors.

In his speech, Risquet emphasized economic matters. When discussing the tasks of the sugar industry, he exhorted them "to continue improving the industrial work and the coordination between the field and the factory, improve cane recovery and guarantee raw material in optimal condition in order to make increased industrial efficiency possible."

He said that it is necessary to continue working to: achieve maximum exploitation of installations; improve rates of consumption of raw materials and auxiliary products; and make progress in the production of surplus bagasse and the rational use of energy by eliminating oil consumption in the production of raw sugar and by decreasing its use in refining by 1984.

He called to all the leadership councils of the enterprises in the province to learn and use the results of the analyses of economic efficiency in their decision making. "This is indispensable in order to aspire to cost-effectiveness in the enterprises." He said that this demand not only refers to cane and sugar production but to all economic activities in the production sector of Camaguey.

He proclaimed that it is necessary "to make the struggle for profitability the focus of our economic activity, the constant battle for the reduction of costs, for conservation of energy and fuel, raw materials, other materials and the work force and for lengthening the useful life of the machines and accessories."

He explained that "this does not mean a campaign but a long and complex battle in which each worker should and can participate from his job. The organisms of our party, the union movement and the administrative cadres must all work together."

He had praise for the economic, political and social development of the province in recent years. He stated that the people of Camaguey and their party can feel proud of the work they are doing. He meant "healthy revolutionary pride which is not empty conceit but commitment and incentive to work more, with more dedication, with more selflessness and with more involvement with the masses and sensitivity toward their problems, their opinions, their anxieties and their just aspirations."

#### Holguin Province Meeting

Havana GRANMA in Spanish 8 Jul 83 p 2

[Article by Fernando Dávalos: "Party Must Face, Understand Problems of Economy, Production, Profitability, Efficiency"]

[Text] Holguin--The party, its organizations and its members must face and understand the problems of the economy, production, profitability and efficiency. Jose R. Machado Ventura, a member of the Politburo, stated this as he summed up the Provincial Party Assembly held in this province last Sunday.

He pointed out the trend toward in-depth discussion of the economy and production during the debates. This is indicative of the progress and development of the members since an understanding of these aspects prepares them to act. Machado Ventura pointed out: "Before relatively little was said about these topics. Now our members are better prepared and the base organizations are playing their role better."

He said that the important thing in party work is to learn the conditions of the place or field in order to act and have a positive influence. He said that, for example, the party at an educational center must understand the concrete problems, the problems of education. That is the basic thing.

He pointed out that we must place the problems of the economy first: profitability, increased productivity and efficiency. We must make the largest number of enterprises profitable and efficient; the party must be involved in this.

#### Holguin Province Has Enormous Possibilities

In the conclusions of the assembly, Machado Ventura pointed out: "Due to its conditions, the development of its people and its members, Holguin Province has enormous possibilities and prospects." The assembly was presided over also by: Miguel Cano Blanco, alternate member of the Politburo who was re-elected first secretary of the party in the province at this assembly; Julian Rizo and Lionel Soto, members of the Secretariat of the CC; and other leaders.

In his speech, Jose R. Machado Ventura recognized the Holguin communists, the people of that province, their organizations, the new provincial committee and executive bureau and, especially, Miguel Cano Blanco for the work done during these years when there were many victories on the different fronts.

He exhorted them to continue their attention and effort to carry out the plan of measures derived from the Resolution of the Sixth CC Plenum which still

remains in effect. He saluted the worker collectives of the cane combine factory which had problems with supplies but still demonstrated its production possibilities. He also saluted the collectives of the Rene Ramos Latour nickel plant, with 8 consecutive years fulfilling and overfulfilling their plans, and the collectives of the Pedro Sotto Alba nickel plant, which also fulfilled their plans.

Machado Ventura presented the need to work to solve problems in the production of vegetables and produce. Due to the limitations of irrigation in the province, he suggested, among other things, a concrete study of the problems in each place in order to optimize what is now available and in use there.

Concerning educational work in the province, he called for redoubled vigilance and critical analysis of the problems detected. As to sugar production, he said that it was necessary to make an effort so that the remaining harvests during this 5-year period can compensate for past production shortages.

#### Positive Advances in Assembly Processes

He pointed out that positive measures such as the necessary adjustments in the cadre policy were being taken in different places during the assembly process. The methodology of the process has been more flexible, making them more dynamic. For example, they no longer read the main report at the assembly itself since the delegates have enough time to study it. This is also true of nominations from the base organizations, improving the democratic nature of the process through greater participation.

He said the experiments with instructors in the party organizational structure have been positive since they permit better attention to the cells. He pointed out the need to continue integral work in this new responsibility.

He stated: "The instructor not only maintains contacts; he does much more than that. He is there to teach and to watch over the development of the cadres, among other tasks."

#### Broad Main Report, Critical Debates

Machado Ventura characterized the main report to the Holguin Provincial Party Assembly as broad, in depth and critical. It provoked many speeches by the delegates.

The topic of the sugar harvest was the focus of the debates. Holguin had 97 percent fulfillment of the plans of the last two harvests. The debates demonstrated the concern of the Holguin communists to overcome the production delays mostly due to problems in industrial yield which are caused by the poor quality of the cane. The cane was affected by rain during the harvest time, the borer, abrupt changes in stocks and varieties due to the need to replace large areas hurt by rust and smut and problems in planning the cutting.

The main report and subsequent discussions also covered: exploitation of installed capacity, the object of large investments recently; sugar quality; oil consumption; mechanization of the harvest; and other agroindustrial topics.

Mining and metallurgical production--another major productive sector in Holguin --construction, transportation and communications, consumer goods and services, education and public health were also discussed in depth in the document and in the delegates' speeches.

#### National Newspapers to be Printed in Holguin

Answering the concern of delegate Rafael Doimeadios as to press distribution in the rural zones, Miguel Cano Blanco announced that construction of a printing complex has begun near the capital. It will reproduce the daily issues of the national newspapers GRANMA, JUVENTUD REBELDE and TRABAJADORES for the eastern part of the country.

These issues which will help improve press distribution will exploit the possibilities of the coaxial cable for typographical make-up.

National Labor Hero Esmell Saad reported that transportation in Holguin is "clearing for action." About 1.8 million people were transported in some 80,000 volunteer trips by a vanguard of mechanics and drivers from that sector.

Lengthy statements were made by the chromium miners in Punta Gorda, the nickel miners in Nicaro and Moa, the port workers of Antilla, the health workers in Moa, teachers and representatives of the many sectors of economic, social and political life in Holguin.

#### Provincial Party Committee, Bureau

The elected professional members of the provincial executive bureau of the party include: Miguel Cano Blanco, Guillermo Benitez, Antonio Marino Garcia, Almeris Aguilar Pena, Alfredo Mas Betancourt, Angel Ocana Urquiza and Roberto Labarte Hernandez. The nonprofessional members are Manuel Cordovi, Heriberto Perez Pacheco, Augusto Fajardo Pi, Ixart Cuenca Mastrapa, Antonio Fernandez Fernandez and Manuel Sarmiento. Comrade Renan Ricardo Rodriguez heads the Holguin Province Supervision and Review Committee.

The new provincial committee has 87 members and 9 alternates.

#### Havana Province Meeting

##### Havana GRANMA in Spanish 9 Jul 83 p 2

[Article by Jose M. Norniella: "Fight for Enterprises' Profitability Must Be Basic Task for Party Now"]

[Text] Caimito--"The fight for profitability of the enterprises, for economic efficiency, must be one of the basic tasks for our party from now on." Antonio Perez Herrero, alternate member of the Politburo and the Secretariat, stated this at the close of the Provincial Review Assembly of the party in Havana Province which was held Wednesday in the auditorium of the Gen Antonio Maceo Interservices Cadet School in this municipality.

He called this basic task "a long and complex battle that can only be won if we can incorporate the working masses, the technical and administrative cadres and, especially, the union movement." He said that everything that has been done so far in this area "can be considered the artillery preparation. Now we must attack the positions of that enemy--lack of cost-effectiveness--and dig in for this difficult battle."

The Provincial Review Assembly was the culmination of a rich process which Perez Herrero called profound in its analyses and efforts to make an integral evaluation of party work. He said that better quality could be seen in the reports, assemblies and evaluations of this process from the cell to the province.

One of the areas that showed notable progress was the internal life of the party since the meetings of the organizations were better prepared and more effective. Perez Herrero indicated that the bureaus and committees achieved more operational stability and exercised more in-depth criticism and self-criticism. As to growth in party ranks, he said: "The fact that 60 percent of the new members have a labor background and there are party cells in more than 30 cooperatives is encouraging." However, he added that more than 500 centers that have more than 25 workers still do not have party cells. This lessens party influence in all these collectives.

#### Greater Party Involvement in Economic Problems

In his speech, Perez Herrero pointed out that this assembly process demonstrated "greater party involvement in economic problems which shows the maturity reached by our base organizations and intermediate levels and the understanding that production efficiency is the basic factor for social and economic progress in the province."

He cited a list of achievements in production and improvements in services that led to fulfillment of the plans of the province and responded to the commitments for integral national development. He said: "This shows the great sense of responsibility of the people of Havana. It is a stimulus for the workers, the party and the state administration since they received a just reward for their strenuous efforts in the recognition given by comrade Fidel."

In spite of those achievements, Perez Herrero revealed that there are still basic economic problems in the province that must be solved. These included the small increase in the cane agriculture cooperative movement. Also about 80 percent of the peasant land used to grow vegetables and produce is worked by individuals. He said that state land is still not exploited with the necessary efficiency and, therefore, the yield is not as good as expected.

Explaining the party's role in solving these problems, he stated that this does not mean only technical decision processes but involves the growing participation of the masses, especially the workers, in the fight for efficiency, productivity, conservation and improvement.

### Sustained Increase of Production Efficiency Essential to Party

In another part of his speech, Perez Herrero stated: "The sustained increase of work productivity, the adoption of effective conservation measures, stronger discipline, precise planning of investments and expenses, administrative and financial demand and, especially, production efficiency are essential to the party."

Then he pointed out that, along with all these elements, "the party gives special attention to the climate that should exist in the labor collectives to promote the enormous tasks that must be undertaken with their support and deepen the understanding of the masses of their role in building the new society." He said that the creation of this environment is the basic objective of all party work.

Referring to services, he called them vital not merely as a basic component of economic activity but because they are an extremely sensitive element that greatly influences public opinion and provides an image and evaluation of economic activity. They also influence the state of mind of the masses.

Perez Herrero stated: "The accomplishments of ideological work and the better image of economic efficiency dwindle in the eyes of men and women when they deal with careless workers, nondemanding administrators or insensitive officials who do not serve them properly."

Expanding on one of the main aspects of his speech, he said: "Economically, the first priority must be increased production combined with the fight for profitability, an objective toward which Havana slowly progresses." He gave as an example the steadily growing figure of profitable enterprises, now 56 percent of all those in the province.

Concerning lack of profitability, Perez Herrero repeated that it is necessary that we all understand that an unprofitable economy leads to a growing debt. He pointed out that it is absolutely essential that the enterprises pay for their expenses with their own income and make a profit to provide the state budget with sufficient resources to finance basic investments and national social, cultural, administrative and defense expenses.

He said: "Profitability means efficiency and more profitability means more efficiency--in other words, maximum exploitation of the basic funds, optimal use of installed capacity and production potential, better quality in production and services, rational use of the work force, proper use of financial resources, the application of scientific advances and more productive technologies and, especially, a consistent policy of conservation of fuel, lubricants, electrical energy, raw materials and other materials."

### Progress in Education

Referring to educational work, he noted that there has been notable progress. Appropriate measures have been taken to improve the quality of education. He said that the young generation has demonstrated its ideological firmness and

its moral and revolutionary qualities. However, "we must insure that its scientific and technical training and its general culture meet the demands of our times and our revolutionary process." He exhorted all who influence the education of these youths to work in that direction.

Finally, Perez Herrero referred to the importance of ideological work under present conditions "when the adventuresome policy of the Reagan administration confronts our country with increasingly more complex and dangerous risks." He said it is necessary to prepare the Cuban people to face those situations in a climate of optimism. They must feel that their future is secure and that it can be a future of peace and happiness for present generations and future generations.

#### New Provincial Party Committee, Executive Bureau Elected

The Party Review Assembly was attended by 295 delegates from the 19 Havana municipalities. They discussed the main report in depth and extensively; there were about 80 speeches in the 4-1/2 hours of debate. The report was unanimously approved.

The new Provincial Party Committee elected at that assembly has 102 members: 93 regular members and 9 alternates. At its first meeting, it confirmed Luis Alvarez de la Nuez as first secretary of the party in Havana.

The executive bureau of the provincial committee also includes the following professional cadres: Victorino Lemus Rivero, Mirta Rosa Rodriguez Alonso, Victor Fernandez Hernandez, Juan Santos Moya, Vidal Anaya Tamayo and Roberto Sanchez Carrera.

The remaining members elected to the executive bureau are nonprofessionals: Pedro Chavez Gonzalez, president of the Provincial People's Government Assembly; Maximo Diaz Rodriguez; Poder Puentes Valdes; Placido Cambas Tome; Wilfredo Espinosa Calero; and Alfredo Fontaina Alvarez, secretary general of the provincial CTC /Central Organization of Cuban Trade Unions/.

It was announced at the assembly that Silvio Fernandez Vega had been elected chairman of the Provincial Supervision and Review Committee.

The presidency of the assembly consisted of: Jose R. Machado Ventura and Jorge Risquet Valdes, members of the Politburo and the Secretariat; Antonio Perez Herrero, alterante member of the Politburo and the Secretariat; Politburo members Julio Camacho Agunera, first secretary of the party in Havana City, and Guillermo Garcia Frias, minister of transportation; Luis Alvarez de la Nuez; and other members of the CC and the Provincial Party Committee.

#### Havana City Meeting

Havana GRANMA in Spanish 11 Jul 83 p 1

/Article by Maria Rojas and Juan Varela Perez: "Party Review Assembly for Havana City Province Held" /

/Text/ "It has been a privilege to participate in all the party assemblies in Havana City Province." Fidel stated this when closing the Assembly for

Review, Renovation and/or Ratification of Party Mandates that was held last Saturday in the auditorium of the ISPJAE /Jose Antonio Echeverria Higher Polytechnical Institute/. At this assembly, Julio Camacho Aguilera was confirmed as first secretary of the party in this province.

The assembly was attended by 406 delegates who represented 81,185 party members and aspirants in Havana City Province. The election was carried out according to established norms. Of the delegates, 184 are directly tied to production, education and services and 133 of these are laborers.

In addition to our commander in chief, Fidel Castro, first secretary of the CC of the party, the assembly was presided over by: Politboro members Ramiro Valdes, Carlos Rafael Rodriguez, Jose R. Machado Ventura, Armando Hart, Jorge Risquet and Julio Camacho Aguilera; Jesus Montane, Humberto Perez and Roberto Veiga, alternate members of the Politboro; Lionel Soto and Jaime Crombet, members of the Secretariat; National Labor Hero Braulio Maza, a member of the CC and the Council of State; Ramon Martinto, several times National Labor Hero and Sugar Harvest Hero; members of the CC; and other leaders.

The most important party meeting in the capital of the republic began with a greeting from the pioneers. They performed a beautiful artistic choreography that ended with the presentation of red flowers to the presidency by a group of children dressed in Rebel Army uniforms and carrying a 26 July banner.

Behind the presidency were two large posters: one of Marti and Moncada; and the other of Marx, Lenin, Balino, Mella and Che. There was also a quotation from our National Hero: "The party exists, secure in its rightness, like the visible soul of Cuba."

In his closing words, Fidel said that we came to this assembly with a veteran membership in havana City, a strong party and tremendous human resources.

He also referred to the development of the capital and the special attention that formal education must receive on all levels, from the home to the school.

There were several speeches by delegates on this topic during the debates. They all agreed on the need to strengthen work in that direction.

Fidel appraised the economic, political and social importance of Havana City. He said that it was necessary to make a special effort in the coming years; this plan is already in progress.

Jorge Valdes Rodriguez, confirmed as second secretary, announced at the beginning of the assembly that the tasks developed by the CTC and its unions as a salute to the meeting included planting 300,000 coffee plants and clearing 30 caballerias in different fields of the Enterprise for Varied Crops of the capital. The XV Congress Battalion which harvests coffee was declared the best in the country by the CTC. Some 151,546 volunteer workers were mobilized and produced more than 90,000 pesos.

Julio Camacho Aguilera read the summary of the main report which was unanimously approved after being enriched by contributions from excellent speeches.

The summary pointed out that the province has achieved significant economic, political and social progress during the period analyzed. This has contributed to create the bases for future development in the territory, improve the standard of living of the people and strengthen the revolutionary awareness of the masses.

The document emphasized that one essential aspect for the development of the province is the construction front. Satisfactory results have been achieved in it. There was notable impetus during the previous stage.

The current plan to gradually satisfy the social needs of the capital includes tasks related to remodeling the city, health projects, street repair, work on aqueducts, sewers, drainage and channeling rivers and streams and large-scale housing construction, repair and maintenance.

Ramon Martinto, several times National Labor Hero and Sugar Harvest Hero and head cutter of the Evelio Rodriguez Curbelo superbriгаде of the Trade and Food Service Union, presented Fidel a beautiful gift in the name of the delegates at the assembly and all the communists of Havana City. It was filled with symbolism about the 30th anniversary of the attack on Moncada Barracks.

The delegates secretly and directly elected 110 members and 11 alternates to the provincial committee. In its first meeting, it confirmed Julio Camacho Aguilera and Jorge Valdes Rodriguez as first and second secretaries. The remaining members of the newly elected executive bureau are Gladys Bejerano Ortega, Jose Matias Maragoto, Manuel Villamar Cusido, Aldo Alvarez Avalo, Alfredo Sierra, Oscar Fernandez Mell, Noel Zubiaur Mir, Silvio Plasencia Gonzalez, Mercedes de la Cruz Romero, Orlando Jimenez Ferrer and Raul Mompeller, head of the Party Supervision and Review Committee in Havana City.

There was a very emotional moment when Jose Ramon Machado Ventura announced that Camacho Aguilera had been confirmed as first secretary. The delegates and guests stood and applauded for a long time as a beautiful sign of approval and affection.

#### Villa Clara Meeting

Havana GRANMA in Spanish 13 Jul 83 p 2

/Article by Aldo Isidron del Valle: "Interest in Promoting Fight for Economic Efficiency Must Continue" /

/Text/ Santa Clara--Julian Rizo Alvarez, a member of the Secretariat of the CC, pointed out the progress revealed in the Villa Clara Party Assembly which ended here last Thursday. He stated that it shows the maturity of the base organizations and the leadership.

He said that the analyses were more profound and the reports better written. Many cases of political-administrative dualism were resolved and the leadership in the cells improved with more laborers and women participating now.

This great meeting of the Villa Clara communists was attended by 329 delegates and guests. Jose Ramon Machado Ventura, a member of the Politboro, presided over it.

At the beginning of the assembly, Raul Rodriguez Lopez, first secretary of the Provincial Party Committee, presented the main report. It included the work carried out by the committee and its executive bureau in the territory between the second half of 1980 and December 1982 and the work objectives for the stage between July 1983 and the Third Party Congress.

The document (to which Rizo Alvarez referred at different times during his speech) was approved by the delegates after discussion. They also approved a special resolution of support for fulfillment of the agreements of the Sixth CC Plenum.

#### Incorporation of 138,000 Women in MTT

As a salute to the party assembly and the 30th anniversary of Moncada, the FMC in Villa Clara held 4,633 assemblies and made a commitment for 138,004 female comrades to join the MTT.

The UJC mobilized more than 130,000 youths for volunteer work in construction, the sugar harvest, noncane agriculture and other activities. The economic initiatives movement received a push and the Technical Youth Brigades managed to achieve more than 70,000 physical units with a value of more than 130,000 pesos.

The movement to recover parts was also termed successful; it contributed more than 840,000 pesos.

The Jose Marti Pioneers Organization, FEEM /Federation of Mid-Level School Students/, FEU /Federation of University Students/, CTC, CDR, the Ministry of Agriculture, the Ministry of the Food Industry and the metallurgical branch also did outstanding work in homage to the assembly.

In the peasant sector, 78 brigades cut 1 million arrobas of cane or more. They also met important goals in clearing, cultivating and fertilizing cane areas and areas for other crops.

#### Formation of Bureau, Provincial Party Committee

The delegates secretly and directly elected the Provincial Party Committee of 103 members and 9 alternates. In its first meeting, it appointed the executive bureau and confirmed Raul Rodriguez Lopez and Jose Andres Veitia Pringles as first and second secretary of the political organization.

Other members of the bureau are: Ofelia Acosta Nazco, Eugenio Friol Hernandez, Rosbel Diaz Valdes, Modesto Perez Espinosa, Jesus Fernandez Moya, Tomas Cardenas Garcia, Manuel Cordero AgUILA, Segundo Reyes Castellanos, Ramon Rivero Hernandez, Miguel Cruz Perez and Octavio Silverio Robaina.

Alfonso Chong was appointed chairman of the Party Supervision and Review Committee.

#### Toward Higher Economic Objectives

Julian Rizo Alvarez summed up this assembly characterized by the rich participation of its delegates, touching on different aspects in the main report. He felt that one of the important results of the review process in Villa Clara was that, at all levels, the party "participated more extensively in encouraging the tasks of production and services and gave more attention to supervision of the administrators."

This helped the economic objectives of the province in such important indicators as the growth of gross production, the percentage of workers employed in production, average wage and work productivity.

The speaker emphasized that the creation of this mass awareness in the revolutionary producers is the basic objective of the entire party, especially its ideological work.

He added that the party should achieve that the workers and cadres become convinced that it is not enough to implement the basic mechanisms of the Economic Management and Planning System administratively to insure its basic principle--that is, that the enterprises pay for their expenses with their own income. Without this, it is meaningless to speak of economic efficiency.

He reaffirmed that interest in promoting the fight for efficiency, productivity, conservation and improvement--the primary and most important tasks of administration--must continue. The base organizations of the party must be vigilant and demanding in this.

#### Sugar Harvest in Villa Clara

Rizo Alvarez expanded on the economic theme and the role that our top political organization plays in this. He referred to the work done by different sectors in Villa Clara, including the sugar harvest, to contribute to national development.

He told the communists of this territory that the sugar harvest that approaches demands the peak "of your forces to guarantee an early and efficient start-up to permit the next sugar campaign to recover from the great harm that the climate caused for the economy of the province in the 1982-83 harvest that just ended."

He recommended that the party give priority to systematic attention to MINAZ /Ministry of Sugar Industry/ in the effort to achieve cost-effectiveness in its agroindustrial complexes and enterprises by 1985, year of our Third Congress.

### Forestry Million Movement

After giving many examples about why it is necessary to reinforce party attention on all levels toward livestock and the production of vegetables and produce, the political leader emphasized that Villa Clara has been the source of work that "is now beginning to spread in the country. We are convinced an extraordinary amount of productivity will spring up from it."

He referred to the appearance in this province some months ago "of the magnificent idea of organizing forestry brigades. With some 20 people they planted 1 million tree seedlings. That initiative spread throughout the country and we now have 74 brigades organized."

He predicted the success of this movement which offers many prospects for large planting plans that will continue to develop in the coming years. It is estimated that a brigade can plant 1 million seedlings in 100 to 120 days. "This means that, with 4,000 forestry workers organized in these collectives, 200 million seedlings can be planted."

### Speeches by Delegates

Education and quality of promotion, cultural and political advancement, ideological work in all spheres, the internal life of the party, the role of the instructor and other topics covered in the report were also discussed by Rizo Alvarez in his speech.

He proclaimed that the delegates' speeches were precise and added to the knowledge of the party since they emphasized the critical aspects of the report as well as the proposals to achieve greater accomplishments in all areas.

Speeches like those by Ezequiel Martin Leon, Maria Josefa Reyes, Alfredo Nieto, Emerio Cruz, Jose Delgado and Caridad Estrada on party structure, the MTT, marginal production, the livestock model units movement, political and cultural advancement and the party's role in control of agricultural-livestock production and technical development in raising vegetables and produce "reveal the extraordinary ability of our members to discuss different topics and enrich the indispensable, living and useful party activity."

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CSO: 3248/1142, 1143

## JORGE BLANCO DISCUSSES SAN JOSE ACCORD

## President's Speech

Santo Domingo LISTIN DIARIO in Spanish 21 Jul 83 p 8

[Text] President Salvador Jorge Blanco described the San Jose Accord yesterday as an exemplary program of regional cooperation that has had no parallel in the relations between developed nations and between [as published] those of the Third World.

The chief of state expressed himself thus when commenting on the renewal of the agreement, this time with much more demanding and onerous conditions, during a speech he delivered at the National Palace shortly before the signing of a contract between the government and the drivers unions.

The text of the speech follows:

It is already public knowledge, through news from the international press, that last weekend, from the Cancun beach resort, the presidents of Mexico and Venezuela, Mr Miguel de la Madrid Hurtado and Mr Luis Herrera Campins, announced their decision to extend the San Jose Accord for one more year, substantially modifying its financial clauses and doubling and even tripling the interest rates of the short-term and the long-term loans it grants.

Previously, on 14 March of this year, the petroleum exporting countries that are members of the Organization of Petroleum Exporting Countries (OPEC) announced to the world, for the first time in the last 9 years, a reduction in the price of hydrocarbons, decreasing their reference crude from \$34 to \$29 per barrel and at the same time arranging for a reduction in the production quotas in their respective countries from a maximum of 31 million barrels per day in 1979 to 17.5 million, in an effort to stop or eliminate the possibility of a price war that would lead to their collapse in the world market.

This reduction in the prices of hydrocarbons put an end to almost 2 years of stability of these prices, the increase in which started during the 1973-1981 period, when they rose from \$2.89 to \$34 per barrel. This increase shook the

foundations of the world economy, dragging down the economically powerful countries as well as those small countries like our own, of relative poverty and lacking petroleum, which make up the community of Third World nations.

Aware of this injustice, the petroleum producing countries that produce most of the exportable oil in the region, Mexico and Venezuela, of which only the latter is a member of OPEC, decided, during a historic meeting held in August 1980 in San Jose, Costa Rica, between their respective presidents at the time, Mr Jose Lopez Portillo and Mr Luis Herrera Campins, to institute this agreement, which since then has been known as the San Jose Accord, which would grant to the oil-producing countries of the region--all of them Third World countries--special opportunities that originally consisted of a 30 percent credit on our countries' net petroleum bill, divided into two installments, first a 5-year period that would serve as automatic financing of the balance of payments and which at first was fixed at a rate of 4 percent annually; and a second period of 20 years, thus establishing a fund for financing developmental projects, giving priority to energy-related ones, whose original rate was 2 percent annually, thus making it possible for those projects selected for execution under the program by virtue of their priority to be formulated and presented for approval during the first 5-year period.

This act of justice and of Latin American solidarity in the light of a world economic order advocated by the countries who are members of OPEC was at that moment also a timely recognition of the trouble in which our economies would find themselves when confronted by our respective energy bills, their total amounts being many times higher than our ability to pay, while the prices of our basic products, along with the volume of exports, fell to their lowest level in recent years.

The San Jose Accord was without doubt, in its original form, a program of exemplary regional cooperation that has had no parallel in the relations between the developed countries of the world and those of the Third World. But this praiseworthy initiative--which naturally, in its initial trial period, was given only one year duration--has been renewed successively for equal periods of time since the expiration of its first year, even though it has gone beyond the original trial period and has demonstrated its operative viability.

In this manner the agreement has been renewed once more for only one year, this time under much more demanding and onerous conditions, a logical consequence of the atmosphere of pressure from public opinion originating in these two countries, because the reduction in the price of hydrocarbons decreed by OPEC turned out to be a timely relief for the petroleum consuming countries in the area--the Dominican Republic among others--but it has meant a hard blow to the income expectations of the exporting countries, and especially to our providers (Venezuela and Mexico), a situation made worse by a high short-term foreign debt and a massive flight of capital that has drained the foreign exchange reserves and has meant a dramatic devaluation of their currency, the adoption of strict exchange controls and, in the case of Mexico, the nationalization of all Mexican-owned commercial banks.

This urgent situation, which demands great sacrifices from the sectors that have come to question the good sense of renewing the agreement, or that have proposed the elimination of its financial clause, not understanding that the cause of this crisis is not to be found in the concessionary terms of the financing of the sale of their petroleum to countries far poorer than Mexico and Venezuela, but in the way their economies have been abused by those sectors that have shamefully helped the flight of capital in foreign exchange.

But all this atmosphere of internal tension in their countries has induced the presidents of Mexico and Venezuela to modify substantially the conditions and terms of the agreement. In the present version, which will go into effect next 3 August, credit is reduced from 30 percent to 20 percent; the interest rate of the short-term loans will double, from four percent to eight percent, and the interest rate for the long-term financing will be tripled, from two percent to six percent. These modifications will impose new sacrifices on our country and will demand from us renewed efforts to confront them.

As is generally known, on the occasion of the reduction of prices decreed by OPEC and accepted on an equal basis by Mexico, the Dominican Government decided, via decree number 938 issued by the executive power on 4 April of the present year, and on the basis of the actual reduction of \$2.82 per barrel received as an average for the crude imported from Mexico and Venezuela, to allow a reduction in the domestic price of gasoline, subsidizing its decrease from \$2.57 per gallon to \$2.30 per gallon, a situation that is subject to the uncertainties of the policies of our suppliers regarding the sale of hydrocarbons.

The government decided also to transfer to the large number of people who use the buses of the National Office of Land Transportation (ONATRATE) daily as a means of commuting between their places of work and their homes, part of the additional income that it would collect as a consequence of the difference in crude prices, subsidizing ONATRATE by the amount of 2.2 million pesos, so that the price of the bus fare would come down from 20 cents per passenger to 15 cents. Also, in order to solve a problem of long standing with the owners of private buses who offer collective transportation services to the capital city, the unprofitability of which made them demand an increase in the fare to 25 cents per passenger, the government decided to create a fund of one million pesos to begin acquiring the buses that were the property of these firms and to place ONATRATE once and for all in charge of this service. At the present time we are trying to form a committee of expert assessors who will appraise the buses to be acquired in order to arrange with the owners the form of payment.

Another decision adopted by the Dominican Government at that time was to carry out--along with the provisions approved in the 1983 national budget--a massive campaign of vaccination of infants and of acquisition of hospital equipment, of great importance to the health of the Dominican people.

Finally, the government decided to create a fund of one million pesos, to be taken from its additional income, to finance a program of social security to benefit the drivers of public automobiles in order to compensate them for the

negative effects produced in this sector of workers by the present stage of transition, and to sponsor certain just social and economic recovery measures that would benefit their families.

In synthesis, the extra income to be received by the state by virtue of the differential in crude prices, and its redistribution to help the population, as determined by decree number 938, is the following:

Estimated Additional Income

1. Average reduction of US\$2.82 per barrel of crude provided by Mexico and Venezuela for a period of 9 months.....US\$21.2 million
2. Retroactive effect of the reduction of crude from Mexico to 1 February 1983.....US\$2.4 million
3. Retroactive effect of the reduction of Lagotreco crude from Venezuela to 15 March 1983.....US\$0.5 million
4. Twelve-month reduction by Venezuela in the prices of the products distilled from reconstituted crude.....US\$2.7 million

Total Available.....US\$27.7 million

Details of the Redistribution of Resources

1. Subsidy of the reduction in the price of gasoline to RD\$2.30 per gallon .....RD\$20.2 million
2. Collective public transportation of passengers:
  - 2.1 Subsidy to ONATRATE for the reduction of fare to RD\$0.15.....RD\$2.2 million
  - 2.2 Fund for the acquisition of buses from the private sector.....RD\$1.0 million
3. Program of mass vaccination of infants and acquisition of hospital equipment.....RD\$3.3 million
4. Social security plan for the drivers unions through the Workers Bank .....RD\$1.0 million

Total Used.....RD\$27.7 million

As can be observed, the subsidy for the decrease in the price of gasoline for public vehicles as well as for private ones constitutes 73 percent of the total amount available, generated by the reduction in the price of petroleum, and benefits wide sectors of the population.

Nevertheless, the lack of information and communication, along with the intentional confusion for shameful political purposes, were determining factors in persuading representative sectors of drivers to strike the public automobile service in order to demand larger decreases in the price of gasoline, under the unfounded allegation that the government was retaining large financial resources that had not been transferred to the citizens as a result of the mentioned decrease in the price of petroleum.

Fortunately reason prevailed in the drivers sectors and the attitude of the majority of their leaders resulted in a climate of equanimity that made possible a dialogue with the Dominican Government, which once started, created the foundation for mutual understanding of our problems and the adoption of harmonious criteria to interpret and confront the vicissitudes suffered by our economy, which alight as a heavy burden on the shoulders of those people in the country with meager resources. Once more, dialogue has proven to be the most suitable instrument for human coexistence and understanding.

The occasion is suitable to submit before the public that as a result of this fruitful dialogue--from which the Dominican Government has not excluded anyone, keeping the doors open to all sectors of drivers who have demonstrated the willingness to start frank discussions--we have arrived at concrete agreements and at this moment we have proceeded to sign a document that contains these agreements, which we are making public through the national press.

We are also asking the national treasurer to deposit immediately, from the extra money collected as a result of higher income from the crude price differential and pursuant to Decree No 938 of 4 April, the sum of one million pesos in the Bank of the Dominican Workers, to carry out the aforesaid agreements, of which we will mention the most important ones.

The agreements include the acceptance by the government of the suggestions made by the drivers, the purpose of which is to improve the organization for collective urban and interurban transportation; the reinstatement of the leaders fired at the time of the strike; the establishment of a sub-program of dwellings on a national scale, which will start with 200 houses in the national district and 100 in the interior, through the National Institute of Housing, half of which will be delivered around the middle of the coming month of August and the rest toward the end of the year; the study of how to assimilate the drivers into the new social security program presented by the executive power to the national congress; the replacement of the fleet of cars for tourism and hotel service; control of the prices and the quality of car replacement parts and accessories; the negotiation of the extension of the validation of public drivers licenses to 5 years; the establishment of a cooperative of multiple services to cover basic commodity items for the drivers and their families; the granting of the initial payments of 500 scholarships at the university level to benefit the drivers and their children; the establishment of a trade school through the Institute for Technical Professional Education to contribute to their adequate education and possible reorientation to other productive activities; and other accomplishments described in the above-mentioned document.

This has been a sensible attitude on the part of the leaders of the drivers that this government sincerely appreciates and that public opinion should acknowledge, given that the news we have just received concerning the renewal of the San Jose Accord places the country in a difficult position in facing the new financial requirements and fulfilling the foreign exchange commitments of the Central Bank and their consequences, inasmuch as the reforms of the agreement largely absorb the benefits we had obtained through the reduction of the petroleum prices decreed by OPEC. In any case it will take weeks to be able to redefine the real consequences, given the peculiarities of the conversion of credits from short-term to long-term and of its effects on the behavior on the nation's current budget through projects financed with those resources.

Fortunately, in spite of these difficulties, the Dominican Government will still be able to fulfill its commitments proclaimed in Decree No 938, and it announces with satisfaction that it will be possible to maintain the price set for a gallon of gasoline of RD\$2.30 during the present circumstances, with great sacrifice on the part of the government.

Even though there is a decision already unilaterally adopted by Mexico and Venezuela regarding the renewal of the accord next 3 August, the Dominican Government, aware of the seriousness of the situation our countries find themselves in and the exigent circumstances that Mexico and Venezuela are going through, suggests the need of a multilateral dialogue between consuming and producing nations, with the purpose not only of preserving the accord for whatever relief it can give the consuming nations, whose petroleum bills are still disproportionate while our income from exports is at a minimal level, but also, because of the need to turn it into a true, suitable and legitimate instrument of regional development, for which it will be necessary to provide it with a short-term time frame, preferably a 10-year term in 5-year periods, so that the undeferrable decisions regarding regional energy policies may be made, of establishing an adequate automatic adjustment mechanism regarding the relations between prices and the accumulation of credits and financing, as well as the advantage of reverting these resources to an increase in imports of goods and services from Mexico and Venezuela as a way of collaborating in the restoration of their economies and productive capacities and of reinforcing the interregional ties in the face of the world crisis. To attain this goal, we will persist with all the means at our disposal and we will make use of all the international forums in which the Dominican Republic might participate in order that dialogue shall prevail over isolationist attitudes and human solidarity and generosity over selfish interests.

#### Press Reaction

Santo Domingo LISTIN DIARIO in Spanish 21 Jul 83 p 6

[Editorial: "Last Night's Speech"]

[Text] The president of the republic, Dr Salvador Jorge Blanco, gave a speech yesterday that was unexpected but well received, although not yet completely assimilated by the people.

The chief executive gave a report on the modification of the San Jose Accord announced by the presidents of Mexico and Venezuela, countries which now face very serious economic problems. Dr Jorge Blanco also mentioned the high cost that the new terms of the Accord will represent for this country in comparison to the original stipulations.

The president then made an announcement regarding the solution of the problems arising as a result of the application of the Accord in this country.

There was a strike of taxi drivers because the latter were not satisfied with the reduction in the price of gasoline applied at the time.

The strike has come to an end, a process of negotiations was started between the government and several drivers associations.

In his speech, the president announced the agreement reached.

Several concessions are made in the agreement for the benefit of the drivers of automobiles for public service.

We should all feel satisfied that a labor peace agreement has been reached with a very dynamic sector of workers who have a reputation of intransigence.

The cost of the agreement does not seem excessive, inasmuch as most of the concessions are within the programs established by the government.

At first glance, then.

It will be questioned whether the method employed for such concessions is not likely to create precedents for future claims of other labor sectors.

Thus the agreement requires more detailed study in order to respond to these questions.

The president did well to present to the country promptly the effects of the modifications to the San Jose Accord and the conclusion of the negotiations with the drivers.

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CSO: 3248/1131

## JORGE BLANCO FREES HAITIAN EXILE LEADER

Santo Domingo LISTIN DIARIO in Spanish 15 Jul 83 pp 1, 11

Article by Manuel Volquez

Text President Salvador Jorge Blanco last night stated that he had ordered the chief of the National Police to release the exiled Haitian, Claret Belliard, after receiving the latter's promise not to interfere any more in the internal political affairs of the country.

Jorge Blanco stated that Belliard, a professor at the night high school Maria Auxiliadora, had violated the rules which govern political asylum as he had made public statements about domestic Dominican policy and had also made comments in turn about foreign policy matters, in which political exiles are required not to interfere pursuant to the international rules established some time ago.

President Jorge Blanco spoke with reporters after presiding at a meeting of the National Agriculture Council.

The president revealed that Mr Belliard "is writing a letter wherein he acknowledges his situation, and promises not to interfere any more in similar situations."

Finally, President Jorge Blanco indicated that "we are instructing the chief of the National Police to free Belliard."

In another vein, the judge of the Eighth Penal Board of the District yesterday ordered the immediate release of a Haitian professor imprisoned 1 week ago on the charges of interfering in the internal affairs of the country.

The judge, Ramon E. Martinez Montalvo, by means of a judgment issued on the question of habeas corpus, ordered any authority detaining the Haitian exile to release him immediately.

The magistrate issued the judgment upon determining that Professor Claret Belliard was unjustly in prison.

The habeas corpus began after 11 am yesterday and ended in the afternoon.

Judge Martinez Montalvo declared good and valid, with regard to form, the appeal for relief filed for Belliard, said proceeding being settled according to legal standards. With regard to the substance of the matter, the justice of the Eighth Penal Board of the District ordered the release from prison of the exiled Haitian.

The representative of the ministry at the court, Dr Julio Vizcaino, chose to step down from the stand by virtue of having admitted in hearing that he had no charge whatsoever to make against the foreign educator.

In addition, Vizcaino said that he had no prison order for Belliard, whereupon the defense attorneys for the foreigner asked the public representative to step down.

Judge Martinez Montalvo had previously issued a judgment favorable to Belliard, in which he ordered that the national authorities refrain from issuing a deportation order against the favored party.

Yesterday Drs Ramon Martinez Portorreal, Manuel Medrano Vazquez and Josefina Juan Almanzar, defense for the foreign teacher, warned the airlines that they must not transport Belliard anywhere in the event that he is deported from the country.

The warning was made by means of legal notice in which it was also stated that any airline company that tried to transport the Haitian teacher must have a judgment issued by a competent court having jurisdiction and which had to be obtained by the government.

The measure is seeking to avoid Belliard's being exiled, according to Dr Ramon Martinez Portorreal, spokesman for the defense attorneys.

The Haitian political exile was seized by police agents on the sixth of this month at his home in the capital.

The agents remanded the prisoner over to the District Prosecutor, who immediately proceeded to interrogate him.

The prosecutor, Dr Rafael Valera Benitez, said in effect that Belliard is accused of interfering in the affairs of the country, in violation of number 16, article 13 of the migration law.

The court official at the time informed the press that the possibility of the foreign professor's being deported had not been eliminated.

This aroused the reaction of some of the popular sectors of the country, which staged demonstrations in the capital's high schools, demanding the release of the teacher.

Among the sectors that have protested Belliard's detention are the Dominican Teachers Association (ADP), entity to which the educator belongs; the National Student Front of Secondary School Students (FENES); Federation of Dominican Students (FED); and the Dominican Union for the Defense of Human Rights (UDHU).

Professor Claret Belliard has lived in the Dominican Republic for over 15 years.

He is married to a Dominican, with whom he has had two children.

Dr Martinez Portorreal, before explaining the absolute judgment of the judge of the Eighth Penal Board of the District, stated that the case fell under the jurisdiction of the Chief of Police and Internal Affairs, Dr Ramon Ledesma Perez.

With this statement the lawyer was making it understood that any measure issued against the foreign exile, like for example deportation, was answerable to this government official.

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CSO: 3248/1129

## DISCUSSIONS ON ECONOMIC POLICY, PROBLEMS

## Devaluation Dangers

Santo Domingo LISTIN DIARIO in Spanish 16 Jul 83 p 6

[Editorial: "Spiritual Problem of the Currency"]

[Text] The principal Dominican monetary problem is that those responsible for handling it do not understand certain fundamental aspects of the problem.

And they refuse to understand them.

Essentially, it is not a case of technical or economic policy aspects, which are handled by persons of recognized ability.

It is a question of spiritual factors. Others would call them psychological factors, somewhat contemptuously.

We insist on calling them spiritual factors so as to recognize their enormous importance.

One of those spiritual factors is the enormous attachment, the enormous regard that the Dominican has toward his currency.

He has had great confidence in his currency, perhaps a great illusion.

When high officials have said more than once:

The Dominican peso will not be devalued.

Such assertions have been received with great emotion and approving applause.

Little by little, with much reluctance, the people are becoming convinced that they were being deceived.

And the people were willing to make any sacrifice to defend their currency.

The people also had been willing to accept depreciation of their currency, up to a point, even up to a very large limit.

The 50-percent prime rate, and perhaps a little more, has been that limit.

That prime rate of the dollar over the peso has been accepted and absorbed. We have adjusted to it.

A change of two points either higher or lower also has been considered acceptable.

When the rate goes over 55 percent the people lose faith, acceptance and the capacity to absorb it.

Then they think of ways to convert their pesos into dollars.

Not to travel, not to buy things, not to speculate, but to convert their money into a solid and stable currency.

And then that search for security becomes a flight of capital, a drain.

That is not reproachful, since the ones responsible for monetary stability have not been concerned about assuring it once the people have absorbed depreciation of their currency up to the spiritual limits of acceptance and absorption.

It will be said that in the big South American countries the decline of the value of the currency has been abysmal, and that life there continues to be sufficiently normal.

But in those countries where continuous monetary depreciation became a way of life decades ago, many mechanisms of readjustments, compensation, indexing and subsidy have been created.

We do not have those mechanisms that have emerged in South America over the course of many years.

Certainly there is a similar mechanism here but only for the use of exporters.

A currency always is a commitment with the future.

There is a promise in it that its value will be maintained within a reasonable period.

That one will be able to buy with it in 2 or 3 months the same thing one buys now.

That when payment of a debt or salary is received, one will be able to buy the same thing bought with the currency when credit was given or services rendered.

A currency, even a devalued one, requires stability within the levels of depreciation. In other words, that it varies within very close limits.

In other words, that the currency remain stable once it has been depreciated.

This is quite possible with the Dominican currency, if we do not complete destroying confidence on it.

We must preserve the great spiritual value of the Dominican currency: confidence.

We have treated that confidence too hastily.

#### Deficit Reduction Policies

Santo Domingo LISTIN DIARIO in Spanish 19 Jul 83 p 6

[Letter to LISTIN DIARIO Director Rafael Herrera from Central Bank Governor Bernardo Vega]

[Text] My dear Rafael:

In your excellent editorial on Saturday, 16 July, you eloquently argue for the need that the dollar exchange rate on the free foreign exchange market not exceed about 50 percent, a level which, according to you, has been "accepted" psychologically and "spiritually" by our people. You further state that a higher level would deteriorate the element of confidence in our national currency.

We completely agree with your viewpoint.

What is lacking is that you continue with your analysis and suggest specific measures to achieve a reduction of that prime rate until it reaches that 50 percent. I fear that that analysis would show that achieving such objective would certainly clash with other objectives which the nation perhaps considers equally important. Let me explain myself:

There is no doubt that the prime rate would not have gone past 50 percent if the currency in circulation had remained stable instead of rising 9 percent as it did over the past 12 months. That would have resulted in a decline of the general level of demand in the economy, including the demand for imported products through the free market. But, to achieve this, the Central Bank's credit would have had to be cut even more than the cut already made (4.2 percent less in the past 12 months compared to the previous 12 months). This would mean that the State Sugar Council would have had to let go thousands of employees, that the Dominican Electric Power Corporation would have had to raise its rates substantially and parlayze its expansion plans, and the central government would have had to restrict and almost eliminate its investments. In general, the economy would have fallen into a very strong recession. In short, the cost of a 50-percent prime rate would have been much more unemployment and no economic growth. There is really one option between stability in the prime rate or the struggle against unemployment and achieving certain economic growth. The deficit of the entire public

sector last year was the equivalent of 6.1 percent of all our production (in other words, the PIB [GNP]), a proportion that is extraordinarily high and unsustainable.

According to data for the first 6 months, we believe that the deficit will be cut 3.9 percent this year, based on discipline, austerity, honesty and much less credit from the Central Bank. This is a big success. The deficit could have been cut even more, but at an economic, social and political cost that would have generated more distrust and lack of "spirituality" than the current level of the exchange rate itself. Would this have been preferable? I doubt it.

Another way to reduce the exchange rate is banning more goods that are imported with free market dollars or cutting down on such imports through higher import duties, thereby making them costlier. The government already has banned over \$100 million in imports and has made others more expensive with the 10-percent duty. Do you believe that this policy should be intensified even more, despite the already existing pressures to the contrary? Would not this be as psychologically and spiritually adverse in our country as is the current exchange rate?

A third way to reduce the exchange rate is by feeding more the "sources" of that market or releasing pressure on them, as has been done already with the Exchange Rate Voucher Certificate (CAC), including liberalization of income from tourism, and delivering, beforehand, foreign exchange to commercial banks to facilitate the issue of letters of credit. At the same time, commercial arrears have been cut by more than \$50 million. However, just as you call for balance between supply and demand in the free market (which is another way of saying that the price in that market--50 percent rate--should not change), it is also required that there be no deficit between foreign exchange income and expenditures of the government's central bank. To feed the free market with the bank's foreign exchange is to balance the former at the expense of creating a deficit of the latter. This is not possible since the rest of the world no longer grants credit to this country to achieve that official deficit. In other words, the international financial community no longer permits rising arrears on letters of credit and collections, which today would be the only way to attain a deficit in the official balance of payments. Transfers of goods and services from the official to the free market have been made--although in lesser amounts than in prior years--precisely for the purpose of at least reaching a balance in the official market this year. This has not been done for the deliberate purpose of pressuring the exchange rate upwards, but to achieve stability in the official balance of payments. If the country's trade terms in 1983 had not been the worse in over 20 years, these annoying transfers would not have been necessary. With the renegotiation of the foreign debt and consequent reopening of foreign credit, the greater availability of such credit for imports (official as well as free market foreign exchange) should reduce pressure on the exchange rate, causing it to drop.

Lastly, I have a comment to make of a personal nature. I am the first to realize that if the free market exchange rate had remained stable, that is to

say 50 percent, the prestige of the incumbent Central Bank governor would be extraordinary. Therefore, it would not be logical for me to deliberately promote measures designed to pressure that rate upwards. The present terrible international circumstances and not the ideas of men are responsible for the rise in the exchange rate, or as the Spanish poet said, "Spain is and is not responsible for today's problems." I do not believe it, Don Rafael, look at what is happening with the "prime rate" and parities of all the currencies in all countries of our continent. Please name to your readers just one Latin American country where depreciation of the currency over the past year has been lower than ours.

With the embrace of always,

[Signed] Bernardo Vega

#### Reaction to Policies

Santo Domingo LISTIN DIARIO in Spanish 19 Jul 83 p 6

[Editorial: "Answering Vega"]

[Text] We are very grateful for the kind letter from Bernardo Vega, governor of the Central Bank.

It was a kind and enlightening letter.

We congratulate him for the tenacious, hard, competent and untiring effort he is making to cut the rise in the creation of money by the Central Bank.

We also wish to make some comments in response to his kind letter.

First of all, the Central Bank has been attributed, and the bank has accepted, the responsibility for confronting all problems and satisfying all of the country's economic needs.

It has to finance public sector deficits.

It has to promote industrial, agricultural and tourist development of the country.

It has to promote exports.

It has to assume the public and private foreign debts.

It must provide liquid assets to many financial enterprises.

And it has to do many other things.

If the Central Bank assumes all these responsibilities and obligations, neither the public nor the private sector will assume the obligation of operating efficiently within its own resources.

This is so simply because the Central Bank is there to solve the problem.

We believe that financing of public sector deficits and of excessive credits of the private sector--excesses that have been taking place for years--is mostly responsible for the currency's devaluation, a process not conducive to stability.

Governor Vega has done courageous work to restrict such excesses. However, his efforts will be useless if every sector of public and private economic administration does not make the decision, and implements it, to operate without the enormous subsidies it has been receiving.

Those subsidies account for a lot of the credits of the Central Bank.

Those subsidies and financing become taxes--hidden taxes, such as the constant depreciation of the Dominican peso.

Vega argued in his noteworthy letter that a not too large cut in the rise of the currency in circulation could lead to an economic decline which would generate higher unemployment.

Although we have not been quite explicit, because of the Dominican habit of requiring everything from the Central Bank, we have not required that the bank reduce its credits, but that the public sector make a more vigorous cut of its deficits. Thus, there would be less demands on the Central Bank.

Unfortunately, we no longer believe that reducing the rise of currency in circulation and of the creation of money, the famous unbacked money, will resolve in the short term the problems of currency depreciation.

Payments for interests and amortization of the foreign debt, mostly short term, consume an extremely large portion of the country's foreign exchange earnings.

The situation can be alleviated only by a good settlement on extending foreign debt payments.

We are waiting.

We do not share the opinion of the majority of economists, and Vega seems to be among them, that monetary depreciation only affects the country's external operations and that it is somewhat of a stabilizing factor.

The argument is that as the Dominican peso declines, imported articles are more expensive and we import less. On the other hand, Dominican articles are cheaper for foreign buyers and our exports thereby increase.

At that pace, the balance of payments would soon be balanced and there would even be a surplus.

It would seem that monetary devaluation simply is a praiseworthy quest for external balance.

But the domestic economy is not isolated from that process and can suffer very serious consequences.

Depreciation, when it has not been stabilized and is a falling process, aggravates economic privileges and disadvantages.

Let us explain ourselves:

Those with access to credit, be they of the private or public sector, would not suffer anything.

If in the past they needed 500,000 pesos to make payments abroad and did it on credit, now they will obtain 800,000 based on an exchange rate of 59 or 60 percent.

They probably will borrow more money than they need to leave funds in foreign exchange abroad.

Or they will use their own resources to obtain dollars as a "precaution" or "speculation."

Since they expect the Dominican peso to continue to drop, the price of the foreign goods they import will increase, and thus they will be able to pay with interest the credits they had obtained.

The expectation of the decline of the peso will generate increasing transfers of dollars abroad.

The expectation of a higher exchange rate will materialize.

Those with fixed income will see their purchasing power drop. In fact, they will experience a reduction of income.

Those with savings will see the value of their savings drop.

Some will try to take their money out of the country. The demand for dollars will increase. The exchange rate will increase.

Those with the capacity to obtain credits, always will increase the amount of credits they obtain, thereby neutralizing the higher exchange rate.

They will obtain bigger profits from their import operations and will pay their credits very well.

Until the situation arises in which these same operations become very difficult.

But there will be many with dollars abroad.

And others will have seen their savings disappear.

That is why we believe it is so urgent to have stability within the situation of current depreciation.

In short, it should not be a process. Instead, it should become a situation, a state of affairs, a stability at a new level.

There are many other internal negative aspects in a process of continuous devaluation.

But we shall deal with them in tomorrow's issue.

We will also make the comparison which Vega asks us to make with other Latin American countries.

Again we are grateful for his stimulating letter as a public service.

#### Concluding Remarks

Santo Domingo LISTIN DIARIO in Spanish 20 Jul 83 p 6

[Editorial]

[Text] In our editorial yesterday regarding the letter from Central Bank Governor Bernardo Vega, we tried to show that in a devaluation situation, if there are groups with ample access to credit, these can neutralize for themselves (we repeat, for themselves) the effects of devaluation by obtaining more credits.

This in turn will cause rising devaluation of the national currency.

On the other hand, those with fixed income will truly see a reduction of their income by the effects of a growing devaluation.

We also argued that constant intensification of devaluation will cause loss of confidence in the currency and efforts will be made to exchange national currency for foreign currency, thereby raising demand for the latter and aggravating devaluation.

We also argued that constant intensification of devaluation will cause loss of confidence in the currency and efforts will be made to exchange national currency for foreign currency, thereby raising demand for the latter and aggravating devaluation.

At the same time, it would cut foreign exchange used to obtain imports.

We said yesterday that there are other aggravating internal factors.

Let us see.

It has always been said that when a currency is devalued, buyers with money will obtain cheaper products from the country with the devalued currency. It is said that this will increase the country's exports.

But it could be that most of a country's exports consist of products whose prices are set at the world market in foreign currency, primarily dollars.

With or without devalued currency, the exporting country will receive the same amount of dollars for sales of sugar, coffee or cacao.

Now then, if the currency is devalued, the same dollars will produce more units of the devalued currency than in the past.

We then would have a substantial internal effect of the devaluation for the benefit of exporters.

The peso was devalued for imports for a long time, but on parity with the dollar for exports.

Perhaps that was the ideal situation, although probably unsustainable.

The complaints of sugar producers then began.

Their argument was, at first sight, very persuasive. If they exchanged the dollars they obtained from sugar exports for pesos in the free market, they no longer would have losses in sugar production, especially the private producers, after supplying the U.S. quota.

(We refer to well known situations and events, citing them to establish our conclusions.)

The CAC then was created for traditional export products. In other words, new types of exchange methods were created, in addition to the already existing ones.

Multiple exchange methods are a system of discrimination, a discrimination based on the idea of incentives, one of the most horrendous economic terms. But there are no waterproof compartments in economic activity. There are transfer mechanisms, sometimes quite obvious ones and other times very insidious and demoralizing ones. But that is another story.

Well, coffee producers already claim that the CAC has been for the exclusive benefit of exporters.

Coffee producers from Bani assert that if they were to receive the equivalent in pesos of the dollars that the country receives for coffee sales, they would be able to pay the Agricultural Bank.

In other words, there are different and profound internal effects of devaluation.

It benefits some. It hurts the majority: the ones with fixed income who do complain.

New compensation mechanisms are then created, until a marvelous jam is created.

That is why it is vital that monetary stability be attained, even at current levels, even with a certain fluctuation, but within tight limits.

We believe that it is possible. We will explain some ideas in this regard. But we shall let our readers rest until next week.

Vega asks if there are countries in Latin America in a better monetary condition than we are.

Our answer to him is no.

On the other hand, we would ask him a question:

Are we not getting increasingly closer to their situation, and with the same methodology?

And we answer him ourselves: Yes, we have been getting very close.

The claim of a South American monetary trend is an old song here.

We fervently hope that this song is a purely unfounded obsession.

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CSO: 3248/1130

## CORDE HEAD DISCUSSES FINANCIAL STATUS OF STATE ENTERPRISES

Santo Domingo LISTIN DIARIO in Spanish 19 Jun 83 p 14

[Interview with Partenio Ortiz, director of the Dominican Corporation of State Enterprises (CORDE), by Eunice Lluberes; date and place not specified]

[Text] Partenio Ortiz has no doubt that CORDE will be profitable this year. To him, this means that CORDE's profits and losses will show a positive balance, thereby changing in just 12 months the old pattern of cumulative deficits.

CORDE's losses exceeded 60 million Dominican pesos over the past 4 years alone.

Having completed the first phase of reorganization of state enterprises, Ortiz speaks about the results of 804 internal control measures designed to achieve financial stability of the corporation.

Of these 804 measures, the most important have been disseminated and are concerned with cutting costs on per diem allowances of the administrative council; on assignments of vehicles, surplus personnel, fuel and trips; and on operation costs.

CORDE now is entering a new phase defined by Ortiz as of consolidation, whose primary objective is to maintain regular operations of the enterprises.

He is certain that if a regular pace of operations is maintained, there will be positive financial results at the end of the year. He adds that already indications are that there will be encouraging results for the first half of 1983.

There is no reason to think, however, that in 9 months the enterprises will have recovered from all the distortions, losses and deficiencies accumulated over years of inadequate management.

When he took charge of CORDE, monthly losses amounted to 1 million pesos. No such losses occurred from September to December.

Ortiz is a thin, tall man, with a thin face and sharp features. He speaks coherently but does not go into details. He schedules his time rigorously.

He studied economics in Chile, after having completed studies in finances at the Autonomous University of Santo Domingo in 1962, where he is a professor.

He was administrator of Laboratorios Quimicos Dominicanos [Dominican Chemical Laboratories] from 1978 to 1981, and has worked with FIDE [Investment Fund for Economic Development], the IDB and private sector enterprises. He became CORDE director with the Jorge Blanco administration.

[Question] Which enterprises are in the most critical condition?

[Answer] Well, I would say that all the enterprises have improved. Some that had been showing profits, such as Molinos Dominicanos, have improved them. Some enterprises that had been having deficits, such as Baterias Dominicanos, PIDOCA [expansion unknown] and Aceite Ambar, are now showing profits.

However, that does not mean that PIDOCA has made up for its accumulated losses of 6 million pesos. On the other hand, if PIDOCA begins to earn monthly profits of 30,000 to 40,000 pesos and changes to a very good condition, it has to absorb those losses with the profits it generates.

The cement plant has improved a great deal, but it still has serious problems. It has accumulated a deficit of 32 million pesos and will have problems until restorations are made. Repairs that the factory requires have not been made in 5 years.

Other enterprises like the salt and gypsum enterprise require new equipment. Another one is FASACO [Sacking and Rope Factory], which in fact has recovered a lot. Problems and deficiencies can be resolved over the short, medium and long terms. They include new equipment needs and personnel issues, which must be handled very carefully.

[Question] What is the policy regarding personnel?

[Answer] We believe that the enterprises must absorb some social cost to help solve unemployment. But this does not mean that the CORDE enterprises are going to solve the country's social problem of unemployment. To try to do so would simply mean closing the enterprises.

The policy is to have some surplus personnel, but only as long as the enterprises can absorb them. To this end, an analysis has been made of the enterprises' organization and we know how much of a surplus they can sustain.

[Question] What is the status of CORDE's debt?

[Answer] CORDE's debt is a very serious problem. We already have planned a solution because right now there are many enterprises with deficits as a result of their financial burden. In many cases, that burden appears only in the liabilities of the enterprises. For reasons we are not going to examine now, the capital that should appear in the assets often cannot be

found. In other words, the enterprises have incurred an indebtedness that has not allowed them to increase their production capacity in such a way so as to cover it.

The overall debt exceeds 200 million pesos. The most difficult debt to manage is that of enterprises that do not have the means to cover it with their own resources and be able to continue regular operations.

There are about 15 enterprises in that situation. They include FASACO, PIDOCA; the chocolate factory, which still had debts although it closed 15 years ago; Dominico-Suiza, which never went into operation; the batteries factory; and the cement plant, whose debt exceeds 18 million pesos, which in no way it can pay with its own resources. There is also the paper factory with a debt of some 3 million pesos that it cannot pay.

We are seeking a mechanism to settle the debt so as to pay it off over a long term, freeing CORDE of it over the shorter term.

The 200-million debt requires annual payments of over 30 million pesos in interest alone. The financial burden is excessive. That does not include amortization, and interests are paid only in some cases of self-sufficient enterprises.

[Question] How about local credit?

[Answer] As a matter of fact, CORDE receives much fewer resources from the central government. I could say that CORDE incurred a debt of an additional 91.4 million pesos during the previous government, or the equivalent of more than 20 million pesos annually. On the other hand, the present government has been in office 9 months and CORDE has not even received 10 million pesos for its recovery, although the administration came from a government in whose term CORDE's losses amounted to 60 million pesos.

[Question] How much will those losses be cut this year?

[Answer] CORDE will show a profit this year. Some small enterprises already are profitable. When I say that CORDE will be profitable, I mean that the result of total profits and total losses of the enterprises will be a positive one, whereas it was negative in the past. Losses amounted to 20 million pesos in 1980 and 30 million pesos in 1981; and they must have been about 10 million pesos in 1982. There will be no losses overall this year.

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CSO: 3248/1104

## TAX BREAK FOR FIRMS ON BORDER APPROVED

Santo Domingo LISTIN DIARIO in Spanish 17 Jun 83 p 4

[Text] The Chamber of Deputies yesterday approved in two consecutive readings a draft bill granting a 20-year income tax exemption to any industry, agroindustry or enterprise involved in new types of productive operations on the border region.

The bill, already approved by the senate, will benefit the provinces of Dajabon, Montecristi, Pedernales, Elias Pina and Independencia. It was drafted by Alfonso Canto Dinzey, former senator for San Pedro de Macoris.

Among other things, it stipulates that the manpower employed by industries that may establish themselves on the zone bordering on Haiti must be "notably Dominican."

It indicates that national authorities will have to confirm the nationality of each person who is going to work in such enterprises and that the industries, agroindustries or enterprises to be installed in that zone must provide dining halls and first aid dispensaries to their workers.

Meanwhile, the lower house has approved a resolution joining in the joy of the people of San Pedro de Macoris Province over their patron saint festivities.

San Pedro de Macoris Province patron saint festivities start on 19 June.

The legislative resolution was introduced in the chamber by deputies Rafael Antonio Belen, David Escotto Veloz, Guillermo Valdez Santana, Federico Anuun Battle, Vicente Bengoa and Norge Botello.

In addition to the aforementioned, the committee is made up of legislators Damian Castro, Amadeo Lorenzo Ramirez, Juan Lopez, Tomas Hernandez Alberto and Juan Manon.

## Land Contracts

The Chamber of Deputies has approved two contracts for the sale of government land valued at more than 44,000 pesos to private individuals.

The land is located in the Arroyo Hondo and Los Rios sectors of the National District, and will become the property of Pedro Peralta Urena and Juan M. de Guzman.

Some 2,296.35 square meters are involved in the sale.

#### Guzman Commission

Dr Hugo Tolentino Dipp heads a commission of deputies that will go to Santiago on 4 July for the commemorative activities marking the first anniversary of the death of President Antonio Guzman Fernandez.

The deputies endorsed a resolution introduced by Manuel Demostenes Feliz, Dominican Revolutionary Party deput for Azua, which emphasizes that the late president contributed to the establishment of democracy in this country.

The resolution further stresses that the Chamber of Deputies must be represented at the activities scheduled for the momentous homage because Guzman gave his life for the Dominican democratic process.

#### Incident

An incident between Deputy Miguel Angel Velasquez Mainardi and Dr Tolentino Dipp resulted in the latter declaring yesterday's session closed.

It started when Velasquez Mainardi requested "clarification" of a draft bill to amend the Foreign Investment Law, after Reformist Party Deputy Juan Rafael Estrella Rojas had completed his turn on the floor.

Velasquez said he was making the request since the draft bill could not be considered because Deputy Vicente Bengoa, member of a chamber committee, had sent a letter to the Central Bank requesting information that the bank still had not furnished.

He said that instead of the information, Central Bank Governor Bernardo Vega merely had sent a photostatic copy of data published by LISTIN DIARIO.

Tolentino Dipp interrupted the National District deputy, pointing out that he was out of order. When the latter tried to continue, the Chamber of Deputies president ordered the chamber's secretary to continue with the reading of the following point.

Nevertheless, Velasquez Mainardi insisted on speaking and, in the face of this situation, the president ordered the operator of the chamber's sound system to turn it off.

Visibly irritated, the independent deputy took the microphone that was in front of him and threw it on the floor. Tolentino Dipp reacted by ordering him to leave the chamber.

Velasquez replied that Dipp was the one who had to leave the chamber because he allegedly was making "dictatorial" use of his position. Lastly, Tolentino Dipp decided to declare the session closed.

## PRESIDENT AGAINST USING COUNTRY DISSIDENTS AS OPERATIONS BASE

Santo Domingo LISTIN DIARIO in Spanish 21 Jul 83 pp 1, 18

Article by Maximo Manuel Perez

Text President Salvador Jorge Blanco warned last night that he will not permit any foreign resident of the country to conduct any campaign from here or any activity against a target country, including that of his origin.

At the same time, the president announced that he had ordered an investigation into the stories that a local broadcasting station transmitting on shortwave frequencies would be broadcasting radio spots against the Cuban Government.

"I am ordering an investigation of that report, which I read in an afternoon newspaper," responded Jorge Blanco on being questioned about the publication in the evening paper LA NOTICIA that the broadcasting station spreading these reports was Radio Clarin.

Jorge Blanco added that "I want to point out, and this is basically a reiteration of a conduct, a policy line that has already been stated in the country, that I am not going to allow any foreigner who may want to, to attempt or use the Dominican Republic as an instrument or means of conducting domestic or foreign politics with regard to the country to which the foreigner belongs."

The leader indicated that "Dominican laws prohibit foreigners from participating in politics."

In this regard he maintained that "the agreements of the American continent by different international organizations, and also approved by the OAS, as well as the international accords that have come especially out of the Treaty of Vienna and have been countersigned at the international level by the UN, in the same manner prohibit a foreigner from participating in politics of any kind from a country that is not his own."

Later on Jorge Blanco said that, therefore, "we are going to reaffirm and hold this line, this governing policy, that the Dominican Republic, our territory, will never be used as a means to conduct politics."

Likewise, he stressed that he would not permit the country to serve as a base from which foreigners might carry out acts of harassment, try to disturb or one way or another meddle in the politics of the country to which they belong."

Jorge Blanco emphasized that "politics is a matter that concerns Dominicans exclusively and we are going to be very zealous in this regard, as in all others that deal with the principles of order that must be preserved."

On another matter, writers at LISTIN DIARIO asked the head of state the meaning of his statement that Balaguer was neither German nor European not to know whether or not authoritarians had ended in the country.

About this the leader said, "I already gave some statements on this matter and I do not have to make any further elaborations."

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CSO: 3248/1129

## EUROPEAN PARLIAMENT DELEGATION MEETS WITH ALL SECTORS

## Conflict Areas Visited

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 19 Jul 83 p 2

[Excerpts] A special delegation of the European Parliament arrived on the evening of 16 July 1983 for a 4-day visit with the purpose of observing the present Guatemalan situation up close in visits to the interior and interviews with high government officials and representatives of various sectors of the nation.

The following are the members of the group: Mario Pedini, from Italy, a Christian Democrat, the president of the European Parliament's delegation on relations with Latin America, a former Italian education minister and the international relations secretary in the government of Aldo Moro; Sir Fred Tuckman, a member of the European Democrat group in the parliament and a member of the Conservative Party in Great Britain, his home country; Ernest Glinne, of Belgium, president of the socialist group in the European Parliament; and James Spencer, an official of the European Parliament's secretariat.

On 24 July they will travel to Huehuetenango and other areas involved in armed conflict owing to subversive action.

The parliamentarians will offer a program for immediate food assistance and other vital supplies for the Altiplano region and the areas affected by upheavals and population displacement.

Also they will propose a line of credit and financing under optimum conditions for imports from the nations of the European community.

In addition, the European parliamentarians will meet with representatives of private business, political parties and groups, religious entities and other organizations and persons interested in speaking with them.

The delegation arrived in Guatemala by invitation made by the Guatemalan Government to the European Parliament in view of the concern of the parliament about the world situation and the special concern it has for the developing nations and for everything related to human rights.

It has been taken into account also that the European Parliament is composed of 400 directly elected representatives from the nations belonging to the European community. It is the multilateral organization which debates the problems of this community on the highest policy levels and adopts resolutions on resources and methods of international cooperation.

The European parliamentarians will be staying at the Hotel Camino Real and will be in Guatemala City until 18 July.

#### Meeting With President

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 18 Jul 83 pp 1, 6

[Excerpts] The president of the European Parliament's committee on relations with Latin America, Mario Pedini, of Italy, stated that a delegation of that group is in Guatemala to observe directly what is happening in our nation.

This morning they met with the president of the republic, Gen Efrain Rios Montt, and the foreign relations minister, Dr Eduardo Castillo Arriola. They will travel to the departments and hold meetings with government officials and representatives of various sectors of Guatemalan life.

Members of this delegation are Sir Fred Tuckman, European democrat and member of the British Conservative Party; Ernest Cleene, president of the Socialist Group of Belgium; and James Spence, secretary of the European Parliament. Yesterday they visited Huehuetenango, and for 4 days they will tour various regions where there is armed conflict. Also they will meet with the ministers of government, defense, economy and finance, the presidents of the Supreme Justice Court and the Bank of Guatemala, the rector of the University of San Carlos, Dr Eduardo Meyer Maldonado, and the director of the executive commission of the Committee for National Reconstruction. Through the program for provision of immediate food and other vital assistance, necessary supplies will be sent to the conflict zones in the high plains region, which has been the most affected by population displacement on account of violence caused by the presence of subversive extremists.

The visitors were charged with seeing what could be done for Guatemalan refugees now living in Mexico; the parliamentarians have already held interviews with them, and have the firm purpose of increasing the aid to these refugees.

They said that in the meeting with President Rios Montt they stated the desire of the European Economic Community to see Guatemala develop toward consolidation of democratic institutions.

They stated that they are satisfied with the initial meetings and believe that pluralism and cooperation among parties will produce an honest government. Lastly, they said that the European Economic Community's budget for refugees worldwide will consider an allocation of \$1 million for the Guatemalans who have emigrated because of the violence.

Regarding Guatemala's image in Europe, they note that Guatemala is viewed as a nation with a great cultural tradition and that they are willing to cooperate with us, acknowledging the progress being made toward resolving the serious problems troubling the nation.

#### International Press Criticized

Guatemala City PRENSA LIBRE in Spanish 20 Jul 83 p 6

[Text] "I feel that the meeting at the Council of State with the parliamentarians from the European Parliament was very interesting, because we were able to explain to them the gains made by the political opening," according to Jorge Serrano Elias, council president.

Obviously, almost all the nations which the group represents have gone through difficulties similar to ours and the individuals who belong to this delegation of the European Parliament make up a very interesting group.

"All these visits are a reflection of the great importance which the Central American nations now have, since the area is perceived abroad as a possible site for international conflict."

"This is not pleasant for us, on the contrary it is sad to see the situation into which we have been pushed. However, I have always said that we are living in an interrelated world. At present there is no nation which can set its internal policies in an autonomous, isolated manner, unrelated to the interests and positions of the nations of the remainder of the world."

"Proof of this can be seen in the interest expressed by the Europeans from various nations now visiting us. They are all paying their own way. I suppose they were sent by their parliament or their governments."

"Regarding the image of Guatemala which they had before they arrived here, as we said yesterday, they saw the nation as it is portrayed systematically by the international press. They themselves are saying that a great part of the information conveyed by the press relates to previous years, that is, 1980 or 1981."

"For that reason, they are going to observe in person what is going on in Guatemala. For them this is of the highest importance so they may learn exactly what is going on here.?

"This fits in with the words which I heard from Viscount Colville de Culross, who said that he arrived well aware of what was happening in Guatemala, but not from what the press was saying about what was happening, but rather because of what he had learned from people who had been in Guatemala, which was completely different."

"The blame lies with the sources of information, which many times supply news to foreign media."

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CSO: 3248/1115

## DEMOCRATIZATION CALENDAR PROMPTS POLITICAL ACTIVITY

## UCN Works For Consensus

Guatemala City DIARIO EL GRAFICO in Spanish 21 Jul 83 p 8

[Text] The National Central Union [UCN] Party last night began a series of conversations with the leaders of the pro-party committees [committees for forming political parties] to work for a consensus on the election timetable.

In this way the UCN began its activities to establish relations with the various nuclei which have formed throughout the country in an attempt to attain sufficient nationwide strength and which want Guatemala to arrive at a democratic process peacefully and by the decision of all.

UCN sponsored this meeting primarily because last night was the eve of the political meeting with Gen Efrain Rios Montt, president of the republic, and ~~and~~ this will be the day when the views of the pro-party committees on the election timetable will become known.

In reply to questions on this meeting, Ramiro de Leon Carpio, leader of the UCN, said that the committee is most interested in reaching a consensus for setting up an election timetable, and the best mechanism for achieving this is to know the points of view of all the sectors which, joined together and after full discussion, will constitute an authoritative voice in the conversations with the president and the other pro-party committees.

## UCN Proposes August Elections

Guatemala City DIARIO EL GRAFICO in Spanish 22 Jul 83 p 7

[Text] Guatemala, 21 July--Gen Efrain Rios Montt, president of the republic, announced today at his weekly meeting with the political leaders that they will turn over power in 1986 after the entire process of returning to constitutional order will have been completed.

He added that the election of the Constitutional Assembly will be in July 1984.

Ramiro de Leon Carpio, secretary-general of the National Central Union Party [UCN] said that in this morning's meeting of the president and the politicians it was pointed out that the election timetable will be decided upon next Thursday and that the election of the Constitutional Assembly cannot be held before July 1984.

It was emphasized that this is an attempt to give everybody an equal opportunity since it would be anti-democratic to precipitate the elections. It was also proposed that the elections should not be held later than in July.

De Leon Carpio said that the second important point they dealt with concerns the issuance of the ID cards and whether it can be completed in time for the elections. In the case of municipalities where this will not have been accomplished, a mechanism will be put into effect that will make it possible to hold the election without falling into the evils of forgery and fraud as in the past.

It was stressed that the necessary changes in the political laws will be made so as to assure credibility and trust among the people.

At the same time it will be made possible for the committees immediately to register and enroll members.

De Leon Carpio said that the UCN, as did the other committees, proposed the following timetable: elections on 19 August 1984, opening of the Constitutional Assembly on 15 September 1985.

De Leon Carpio also said that his specialist groups and advisory bodies had made an analysis of the time required to organize the technical aspects and the general mechanism as well as the establishment and setting into operation of the appropriate political organizations. In drawing up the proposal made by UCN, consideration was also given to the impartiality which should exist for all factions with regard to their participation in a pluralistic, just and operable liberalization of the system.

#### CAN Seeks March Elections

Guatemala City PRENSA LIBRE in Spanish 23 Jul 83 pp 4, 64

[Text] The Authentic National Central [CAN] suggests that elections for the National Constitutional Assembly be announced before 31 August 1983, and that the elections themselves be held in March 1984. The general elections would be held in March 1985.

CAN made this proposal in a document which was presented day before yesterday to Gen Efrain Rios Montt, president of the republic and in which eight other suggestions and recommendations were also made.

CAN also suggests that the new constitutional government be installed by May 1985. They say that this election timetable was drawn up on the basis of a technical analysis and that it is "beneficial to the country and the people of Guatemala."

Among CAN's suggestions is a request that no law of the republic inhibit, restrain or limit a free and democratic political activity; that is, that in any election alliances, agreements or associations may be made with one or more political parties or pro-party committees.

CAN also states elsewhere that "in the event of any delay in the registering of the population and the citizens, laws should be made allowing voting for the election of the National Constitutional Assembly using indiscriminately the Personal ID card, CIP, or the residence card now in effect."

CAN adds, "We believe that all the points we have indicated in the document are indispensable and basic for reaching a political understanding and a real and true democratic liberalization."

Finally, CAN says, "In presenting this document of your consideration, there has always prevailed among us the highest civic spirit with the clearest objective of watching over the national interests, placing them above personal or political party interests and so we hope for your support and approval of all that has been presented."

#### CD Elaborates on Position

Guatemala City EL IMPARCIAL in Spanish 20 Jul 83 pp 1, 2

[Text] The next presidential elections should be held no later than during the first months of 1985.

This is the opinion of the Guatemalan Christian Democracy [CD] party leaders.

It is their opinion that there can be no justification for postponing the ~~pre~~ presidential elections beyond the first months of 1985.

#### Conciliatory Timetable

The CD announced that it advocates a conciliatory election timetable.

#### Old and New

This means that on the one hand it would reconcile the interests of the existing political parties, and those of the new groups which arise, with the necessity of guaranteeing respect for the popular will.

#### Different Stand

The CD said that their position is different from that of the other traditional parties such as MLN [National Liberation Movement], especially in that they place special importance on being able to avoid the evils of the past.

#### Identification Process

Vinicio Cerezo said that reidentification is advisable, but should guarantee the participation of new groups as well as honesty in participation in the

elections because one must admit that the old voter lists are faulty and lend themselves to election fraud.

#### Election Aspect

Cerezo said, "There is one aspect which for us is fundamental. It is the setting of the date for the presidential election since we believe there is justification for the discussion of the date for the first election but none for the presidential election date.

#### Flexible Stand

He pointed out that the CD is flexible as to the first election date in view of the need to set up a legal framework and the new political groups.

#### An Indispensable Matter

The CD believes that it is indispensable for Guatemalans--for our economic, social, national and international problems--that the date of the election of a civil government be clearly set within a reasonable period of time.

#### Starting Point

Vinicio Cerezo said, "Such an election within the framework of the new constitution would be the true starting point of democratic institutionalization. As can be seen, our concern is not just political but extends to other problem areas.

#### CD Accepts Later Elections

Guatemala City DIARIO GRAFICO in Spanish 23 July 83 p 8

[Text] Alfonso Cabrera, deputy secretary-general of the Guatemalan Christian Democracy [CD], said that his party, after analyzing the president of the republic's proposal that the constitutional assembly elections be held in May or June 1984, has concluded that this is a satisfactory date.

Alfonso Cabrera said: "The reasons are valid which President Rios Montt gave as to the need to expedite the process of issuing ID cards and to hold elections with this new document which will fully guarantee their honesty and as to the promise made by the president that the elections will be held in May or June 1984, even though the process of issuing the ID cards may not be completed, and that in 1986 we should have in Guatemala a popularly elected constitutional president. The CD accepts the election timetable proposed by the government.

Alfonso Cabrera added, "Besides, I want to express satisfaction over two fundamental matters: First, that Gen Otto Mejia Victores, minister of defense, has sent notes to the military bases and the security agencies of the country stating that there should be freedom of action for those engaged in political activities in behalf of a party and that this should be respected by all authorities. This will allow the political leaders to have a guarantee of freedom in their localities. A second point of greatest fundamental importance is that Minister Mejia Victores said that the civil patrols are not prohibited from participating in politics. We consider these steps healthy and opportune.

## PRESIDENT MEETS WITH REGION'S FOREIGN MINISTERS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 20 Jul 83 pp 1, 8

[Text] The foreign ministers of Costa Rica, El Salvador and Honduras were received this morning by General Jose Efrain Rios Montt, president of the republic, at the National Palace, and participated, along with the chief of state, in a cordial dialogue in which the topic of discussion was a meeting of the foreign ministers with their Guatemalan counterpart, Eduardo Castillo Arriola.

As they left the meeting with President Rios Montt, the foreign ministers were approached by reporters. Minister Fernando Volio Jimenez, of Costa Rica, said that at the meeting General Rios Montt had some very stimulating things to say about the role Central America and we Central Americans must play to solve our problems.

"Do you predict peace in the area?" the reporters asked.

"That's what we've come for," replied Minister Volio Jimenez.

The Salvadoran Minister, Fidel Chavez Mena, stated that they had come at the invitation of the foreign minister of Guatemala and had come to the meeting in a spirit of Central American cooperation.

"I find that it is important to make real, concrete efforts," he said, "to achieve peace in Central America. We recognize the need to carry forward a regional dialogue that would basically include four points, each of which obviously needs to be developed."

"Our attendance here complies with a wish that arose at the most recent meeting of the Contadora Group, and the four issues raised are: curbing the arms race in each one of the Central American countries, a real control both in Central America and abroad of the arms traffic, a restructuring with regard to commercial and economic relations and finally, the creation of growth and strengthening of the democratic institutions in the area. I think these four issues are essential to make up a whole program of peace."

"We have been presenting it to the OAS and UN since last year, and also to President Magana. We agreed with Guatemala, Honduras and Costa Rica on the

issues, and based on them, and within a multilateral concept, we developed our meeting in the Contadora Group."

"The meeting of foreign ministers complies with the wish expressed at the most recent Contadora meeting, for the five Central American countries to work in a broad, cordial way, without making a fuss, and come up with a more positive approach, which will allow an advance at the next meeting of the Contadora Group at the end of this month in Panama," concluded Minister Chavez Mena.

Minister Edgardo Paz Barnica of Honduras declared that the foreign ministers had sent their greetings this morning to the president of the republic, General Jose Efrain Rios Montt, and that they had had a constructive exchange of impressions with him.

"We are working for peace," he stated, "for we have always said that if Nicaragua wants war, Honduras wants peace."

"The government of Honduras considers Nicaragua a discordant factor, a threat to peace, democracy and security in Central America," declared Paz Barnica.

"Four of us foreign ministers have met here and we invited the foreign minister of Nicaragua, but he did not come. He said that it was on the anniversary of the revolution. If the revolutionary government of Nicaragua is really in favor of peace," said the Honduran minister, "it could have sent its foreign minister to the meeting in Guatemala."

Minister Paz Barnica said that the four foreign ministers have analyzed the documents and the declaration of Cancun, and that the absence of the foreign minister of NICARAGUA, Miguel D'Escoto Brockman, testifies to that country's political unwillingness to solve Central American problems in an overall and regional context. But that will not hamper peace negotiations, because the foreign minister of Nicaragua will attend the meeting to be held at the end of this month in Panama.

12448  
CSO: 3248/1136

## CIVIL DEFENSE MEMBERS FREE TO PARTICIPATE IN ELECTIONS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 22 Jul 83 p 3

[Excerpt] The minister of national defense, General Oscar Humberto Mejia Victores, stated that the members of the civil self-defense patrols have absolute freedom to organize politically, if they want to do so, and of course to participate in the coming elections.

He added that the civil patrols do not have any military rank, since their function is that of citizen self-defense.

Thus the worry and doubt were dispelled from the minds of the leaders of the committees for the formation of political parties who were concerned about the possibility that the thousands of citizens who now participate in civil defense activities would be prohibited from participating in the political life of the nation.

In practice it has been demonstrated that the patrols not only act in defense of small towns, which have been attacked by the reduced groups of subversives who move about in scattered bands in mountainous villages of the Altiplano region, committing all kinds of violence, but they also participate actively and immediately in group emergency situations, such as the cases of El Palmar, a town threatened by the lava flows that descend from the Santiaguito volcano, which is constantly erupting and the series of tremors that have occurred in the district of Chimaltenango.

In both cases the civil self-defense patrols taken the necessary measures, such as moving the population (in the case of El Palmar) to a safer settlement, without any incidents of looting; and in the second case to cooperate with the inhabitants to maintain calm and surveillance.

Civil self-defense not only acts in cases of a military nature and security but contributes significantly to the development of its own towns.

9545

CSO: 3248/1138

## PSC CLAIMS WIDESPREAD, DIVERSE SUPPORT

Guatemala City DIARIO EL GRAFICO in Spanish 23 Jul 83 p 8

[Text] Guatemala 22 Jul 83--The Social Christian Party today began to proceed with its registration with the Ministry of the Interior.

The board of management of the PSC [Social Christian Party] is headed by Dr Carlos Gehlert Matta, Magaly Quintana de Rodil Peralta and Mr Feliz Zarazua Patzan.

The Social Christians said they are introducing themselves as a team of politicians with "new faces," unaligned to the corrupt government past, or to the opportunists who are on the lookout for the best offer or those responsible for the permanent exploitation that has victimized the poor people of Guatemala.

"We present ourselves," they declared, "with a clear conscience because we are not splashed with the innocent blood of the thousands of Guatemalans sacrificed uselessly to satisfy personal or sectarian interests."

Gehlert Matta also said that they have gathered together the different population groups which one way or another coincide in their basic ideological outlooks. From the ethnic groups in the country, from the garifonas, cooperativists, university students, university professional people. People who have worked in poverty-striken areas. "Our party is really representative and has its bit to add to the reconstruction of Guatemala."

The minister of the interior, Colonel Ricardo Mendez Ruiz, when he received the documents, expressed pleasure to the Social Christians and wished them much success in the Guatemalan political arena, because it is a committee fashioned by all the social and political sectors in Guatemala," he said.

12448

CSO: 3248/1136

## CEDEP FORUM MAKES RECOMMENDATIONS FOR ECONOMIC RECOVERY

Guatemala City EL IMPARCIAL in Spanish 4 Jul 83 pp 1, 2

[Text] In order to restore the economy, it is necessary to slow down foreign debt.

This was one of the recommendations offered at the national political forum held here recently.

The Center for Political Studies, sponsor of the event, has distributed the recommendations among the communications media for dissemination to the Guatemalan public.

#### Impossible to Obtain Results

The document states that "despite the fact that the government has endeavored to improve its finances, it has been impossible to obtain positive results because, among other things, domestic and foreign investors do not trust countries enveloped in socio-political problems."

#### Taxes

The recommendations say that "since it is not sound tax policy to burden the population with taxes during periods of crisis, we believe that it is first necessary to adopt and conceive adequate programs that will help improve the income of the people and to collect the necessary taxes later, based on economic reality."

#### Majority Interests

It is felt that "a tax package like the one under consideration would only tend to create inflation and recession, to the detriment of the interests of the majority."

#### Foreign Debt

"In order to restore the economy, it is necessary, among other measures, to study the advisability of obtaining additional foreign credits, unless they are essential for development projects."

### Negative Factors

The participants in the event sponsored by CEDEP felt that a deeper analysis of the factors that have a negative influence on the nation's economic development was necessary, including the sizable decrease in the sales of traditional products.

### Taxes

In addition, the lack of development of new products, the problems of foreign credits, the decrease in foreign exchange available for trade, the obvious lack of tourist revenues, and the new taxes being considered.

### Short Term

In the conclusions it is stated that "Guatemala is passing through a historic period of great instability, social anxiety, and general insecurity because of the climate of violence and uncertainty in the short term."

### Climate of Insecurity

"The reactivation of the economy will be determined by the climate of security and certainty that develops internally as perceived by domestic and foreign investors."

### Democratization Process

Thus it may be concluded that "in order to reactivate the economy it is essential to accelerate the process of democratization and ensure a prompt return to constitutional order as the indispensable requisite for creating the necessary confidence in the economic factors.

### To Those Interested

The recommendations emanating from the First National Political Forum, held here last month, have now been sent by CEDEP to the secretaries general of all the political parties and the organizing committees of new political parties.

### A Great Accord

CEDEP has made an offer to national political leaders to take steps to "make a democratic meeting that could be the first step towards a great accord among all sectors nationwide, a reality," and at the same time supply additional information concerning such an event.

9015  
CSO: 3248/1035

## BRIEFS

NEW CONSUL IN SPAIN--Political scientist Carlos Manuel Pellecer, who has been named Guatemalan consul in Barcelona, says that his principal concern will be to reach the awareness of the Spanish people so that they may return to the good opinion they have always had of Guatemala, in order to create a climate leading to the resumption of diplomatic relations. He noted that not only Eduardo Castillo Arriola, Guatemala's foreign minister, but also Felipe Gonzalez, Spain's prime minister, have made statements about the possibility of establishing relations again between the two nations. Asked how the image of Guatemala abroad could be changed, he answered that this would result from the work of a democratic government, with actions like those now occurring, because, he added, it is evident that all sectors, public and private, are working enthusiastically to change the face of the nation. Honest foreigners will have to recognize these proofs. But it is certain, he said, that clear, strong voices will be needed to explain abroad what is happening here; courage is needed to explain the negative aspects and to extol the positive ones, said the noted political theorist, who spoke about his activity in Israel, in the United Nations, and other settings, where, he added, in his teaching, in making speeches, in articles and by other means, he always has given prominence to the New Guatemala which he has helped to form, he said, since the revolution of October 1944. [Text] [Guatemala City EL IMPARCIAL in Spanish 15 Jul 83 pp 1, 2]

GERMAN LOAN APPROVED--The government, through Decree Law 68-83, has approved loan contract No. F-610 between Guatemala and the Kreditanstalt fur Wiederaufbau of West Germany for 7.7 million marks. The loan carries a 10 percent annual interest rate on unpaid balances and provides for 14 consecutive semiannual payments, with the first one due 27 April 1984. The loan will finance the construction of 2 bypass tunnels for the Cahabon River as part of the Chulac hydroelectric project. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 4 Jul 83 p 8] 9015

AGRARIAN REFORM--Seven thousand south coast farmers yesterday handed over 4.6 million quetzals to the National Agrarian Reform Institute (INTA) through the Agrarian Committees for Full Development Department. The money was provided by BANADESA [National Agricultural Development Bank]. The payment was for land turned over by INTA to the farmers as mixed family agrarian assistance. The 4.6 million quetzal payment ceremony was held at the IGSS [Guatemala Social Security Institute] auditorium in the presence of both INTA and BANADESA authorities. The parcels were received by 12 farming communities, organized in agrarian cooperatives, with financing provided by BANADESA. [Text] [Guatemala City DIARIO EL GRAFICO in Spanish 5 Jul 83 p 5] 9015

BEAN HARVEST PRICES--At the end of August the new bean harvest will begin and the price rise in this product during the present year will finally be averted, as reported yesterday by the manager of the National Institute of Agricultural Marketing, INDECA, Col Oscar Gilberto Hernandez. Meanwhile, he added, the INDECA board of directors approved last Wednesday the sale of 200,000 quintals of beans at prices that will fluctuate between 23 and 27 quetzals per quintal. At the present time the monopolists are selling beans at 35 and 37 quetzals. INDECA will sell a quintal of beans at 27 quetzals initially until it compels the merchants to lower the price to 23 quetzals. Colonel Hernandez stressed that INDECA will sell beans directly to the consumers, with the aim of avoiding speculation. It will also supply in greater quantities private businesses that are duly controlled so that they do not raise the price. Finally, Hernandez said that INDECA is ready to sell beans at a low price until the stocks in the central warehouse and those in the purchasing stations located throughout the country are exhausted. [Guatemala City PRENSA LIBRE in Spanish 23 July 83 p 12] 9545

FLOOD CAUSES CROP LOSS--Coban, A.V.--The disastrous overflowing of the Polochic River, as a result of the torrential showers that have fallen in recent days in the region have caused a million dollar loss in the agriculture of the northern zone, according to the latest reports sent by the affected farm owners. The large productions of corn, rice and other plantings have been flooded by the strong currents that have overflowed the Polochic riverbed, especially in the areas of Teleman, La Tinta and Panzos, for which reason concern is very great among the growers of essential grains. The inhabitants of several towns have also been affected by this overflowing and, in search of protection for their lives and that of their families, they have sought refuge in high places where the water will not cause them problems. [Guatemala City PRENSA LIBRE in Spanish 25 Jul 83 p 4] 9545

PSC PROMOTES SOCIAL JUSTICE, EQUALITY--"Our Social Christian alternative bears only one motto: Equality of opportunity in peace and freedom for all Guatemalans," said Dr Carlos Gehlert Matta in referring to the reliability and basic essentials of his political organization. The political leader added: "No more privileges for certain persons, groups, or social classes, based on might or weapons. We know that this situation does not prevail currently in Guatemala, and that a few have much, while many others have very little, and that to overcome this unjust situation requires multiple efforts and sacrifices." "Our Social Christian principles involve the most absolute respect for life, liberty and the dignity of all Guatemalans, the respect and encouragement of a social organization capable of promoting the common good, and solidarity and social justice for all Guatemalans," he concluded. [Text] [Guatemala City DIARIO EL GRAFICA in Spanish 25 Jul 83 p 20] 12448

CSO: 3248/1136

## BRIEFS

FOREIGN CREDITS OBTAINED--Two lines of credit for \$25 million are available to Honduran importers as from today 22 July, the Central Bank of Honduras announced. The board of directors of the Central Bank, at its meeting this week, approved arrangements through which use can be made of a line of credit of \$15 million provided by the Central Bank of Argentina. Gonzalo Carias Pineda, president of the Central Bank of Honduras, explained that this line of credit is for the purchase of machinery and equipment, capital goods, and raw materials produced in Argentina. He said: "This will be very useful to Honduran importers because we are going to speed up purchasing goods in Argentina, and it won't be necessary to use dollars to buy them, since in fact the importers will receive credits for up to 24 months." He also announced that the United States Export-Import Bank, through the Foreign Credit Insurance Association (FCIA), had approved a bank to bank transaction, making available a \$10 million line of credit. He pointed out: "This line of credit is for imports--that is, imports from the United States, through any local bank, will be insured by the Export-Import Bank, which guarantees commercial transactions by Honduran importers of raw materials, insecticides, and other articles." Finally, he said that both lines of credit are very useful to Honduras, since at present there is a shortage of dollars to purchase goods from abroad. However, the approval of the two lines of credit will prevent Honduran industries which require imported raw materials from being paralyzed. [Text] [Tegucigalpa LA TRIBUNA in Spanish 22 Jul 83 p 50]  
5170

NEW PENAL CODE APPROVED--Tegucigalpa--The Honduran Congress approved in its third and final reading the ambitious draft Penal Code, which will enter into effect 1 year after it appears in LA GACETA, the official publication. According to what was approved yesterday 19 July, provisions relating to offenses against the expression of opinions stood out. Prison terms for 90 days may be ordered in cases where the editor of a newspaper refuses to publish replies in defense of persons who feel they have been wronged by reports in the newspaper. Similar punishments will be handed down against those who publish false reports and who encourage disobedience of the laws. Offenses against public order and the general interests of the nation; against urban regulations; against good customs and morals; and against property were also covered in the new code. Among the most important aspects of the draft law approved by Congress was the approval of strong punishment for those who in any way participate in the crime of abortion, with the exception of instances approved

by the law where the life of the mother is in danger. Punishments of 10 years in jail were approved for those who take part in crimes against the security of the state (including kidnapping) and 20 years in jail for those who betray the country. Those who assassinate a foreign president on Honduran soil will be liable to 18 years in prison and 20 years in prison if the president of Honduras is assassinated. With the approval of the last 55 articles of the draft bill, a long legislative session was brought to an end. Within 1 year the Penal Code now in effect, which dates from 8 February 1906, will be repealed. Text San Pedro Sula LA PRENSA in Spanish 20 Jul 83 p 37 5170

CSO: 3248/1141

COUNTRY SECTION

MEXICO

LEADERS COMMENT ON ELECTION RESULTS, PRI LOSSES

CTM, PRI Reaction

Mexico City EL DIA in Spanish 12 Jul 83 p 3

[From notes by Juan Danell, Armando Cruz, Heliодoro Cardenas, Juan I. Vigueras, Carlos Garza, Fernando Esquivel and Inocencio Valdes]

[Text] Commenting on the recent electoral results, the leader of the CTM [Confederation of Mexican Workers], Fidel Velazquez, reiterated his organization's proposals for democratizing the PRI. Asked specifically whether that democratization "would merit a change in leadership" for the party, he replied categorically, "a change in political direction, not of men." He emphasized the importance and significance of the worker movement to the party, "since we are complying with our obligation within the PRI and we are one of the sectors that adheres most closely to the line of conduct set forth by our political organization, and we vote accordingly."

As for the municipalities in which PAN [National Action Party] won, he conceded only an advance in the political reform program, which he said permitted greater participation in the election by the various parties, and "if PAN got more votes, we admit its victory."

As for interference by the clergy in the Chihuahua elections, the labor leader emphasized: "I do not have any evidence of such interference; possibly those who are saying so do have evidence, but I do not."

Besides, gains by the Right are not large and are confined to specific places in a very limited way.

Campaigns and Speeches Should be Revised

The Institutional Revolutionary Party needs to reinforce its cadres in view of the aggressiveness of an opposition, such as National Action, which has no limits to its actions and is forming all kinds of alliances in order to take over the government, Victor Manzanilla Schafer, senator from Yucatan, asserted yesterday.

After assisting, along with the representatives of the chairman of the PRI National Executive Committee, Adolfo Lugo Verduzco, at the reorganization of

the PRI State Administrative Committee in Nuevo Leon, he expressed the opinion that the structure of the Institutional Revolutionary Party should not be profoundly modified.

He felt it timely to emphasize that the operational plans, propaganda and campaign speeches of the PRI candidates should be thoroughly revised. The PRI continues to be the party of the majorities, said Senator Renato Sales Gasques, who called on the members of that organization to strengthen their party activities. "The PRI," he agreed, "Should maintain a posture of permanent action to improve political training and ideological information."

#### PRI to Request Nullification of Elections in Ciudad Juarez

The PRI commissioners accredited to the Municipal Electoral Committee in Chihuahua have informed the PRI candidate for head of the municipal government there, Santiago Nieto Sandoval, that they have almost finished putting together a voluminous dossier containing all the evidence and other pertinent information with respect to violations by the National Action Party in the recent 3 July elections. This file will be turned over to the appropriate authorities so that they may take whatever measures are necessary.

The commissioners accredited to the CME [Municipal Electoral Committee], Ramon Dominguez Perea, Juan Antonio Lozano Rodriguez, Carlos Morales Villalobos, Sergio Alonso Cisneros, Alfredo Benitez Hernandez and Arturo Carmona, as well as the chairman of the PRI Municipal Committee, Jose Luis Canales de la Vega, agreed to ask the Electoral Committee to nullify the elections, basing their claim on provisions in the Administrative Code's chapter on "Electoral Disputes," which refers to nullification of elections.

#### Mexico, Not PRI, Has Been Defeated

Also in Ciudad Juarez, Chihuahua, the leader of the Alliance of People's Settlements, Ruben Chagoya, asserted that foreign elements are attempting to infiltrate the political, economic and social life of Mexico in order to occupy strategic positions of domination.

The leader added that the PRI should learn its lesson and close ranks, since this party has elevated the status of many members who are now collaborating openly with the forces of reaction, and it must again assume leadership of the popular revolutionary force.

The official PSUM spokesman there, Enrique Lomas, asserted that the victory of the reactionary forces is a defeat for Mexico, and that the parties must reflect and turn their eyes toward the northern border to defend national sovereignty. For the head of the Revolutionary Confederation of Workers, Roberto Delgado Urias, the apparent PAN victory shows clearly the role played by the mass communications media and the clergy in favor of the National Action Party, and there is a whole series of violations which merit punishment by the Secretariat of Government, even with jail sentences, of those who have broken the law in order to benefit the rightist party.

Delgado Urias said the PRI should be restructured and given a more dynamic mass organization so that the workers may defend their historic role.

#### Support for Durango Municipality

The governor of Durango, Armando del Castillo Franco, expressed the opinion that "the voting there has special characteristics; in the first place it means rejection of the leftist parties by the citizens and then the option of showing in some way their disagreement with certain things which, in the judgment of the people of Durango, could be better."

The governor reiterated that the incoming PAN municipal council will have all his support, since once they assume their functions as municipal authorities they will become public servants who, as with the office of governor, have as their goal service to Durango.

The state delegate of the National Register of Voters, Facundo Gomez Herrera, told EL DIA that the number of persons inscribed in the register of voters for the capital city is 160,337, of whom 70,582 votes. This indicates an abstention rate of almost 60 percent.

The actual number of votes cast for each political party in the state capital are as follows: For PAN, 38,391; PRI, 30,016; PSUM, 1,217; PPS [expansion unknown], 320; PRT [Revolutionary Workers Party], 283; PDM [Mexican Democratic Party], 244 and the PST [Socialist Workers Party], 111 votes.

#### PSUM Victories

The Unified Socialist Party of Mexico (PSUM) obtained six council seats in the following municipalities in Durango: Canatlan, Gomez Palacio, Tlahualilo, Gudalupe Victoria and Lerdo.

According to voting tallies throughout the state, the PSUM received a total of 11,000 votes. In Zacatecas, the overall results of the voting were, according to reports from each party, as follows: 15,545 for PAN; 239,234 for the PRI and 4,743 for the PSUM.

#### Results in Chihuahua

Of the 67 municipal councils in Chihuahua, the Institutional Revolutionary Party won in 54; 9 of them went to the National Action Party and 1 each to the PST, PPS and PSUM, it was reported by Rafael Navarro Bencomo, chairman of the State Electoral Commission.

As for the delegations from the 14 local districts, the PRI won in nine, while the National Action Party took the five remaining districts.

Of all the results of the elections held last Sunday, the only one pending is the municipal chief executive in Madera, at the request of the PRI and PAN. Municipal chief executive offices won by the Institutional

Revolutionary Party are as follows: Villa Ahumada, Aldama, Allende, Aquiles Serdan, Ascencion, Bachiniva, Balleza, Batopilas, Bocoyna, Buenaventura, Carichi, Ciyame, Cusihuiriachi, Chinipas, Doctor Belisario Dominguez, El Tule, Galeana, General Trias, Gomez Farias, Gran Morelos, Guadalupe Distrito Bravo, Guadalupe y Calvo, Guachochi, Guazaparez, Guerrero, Huejotitan, Janos, Jimenez Julimez, La Cruz, Villa Lopez, Maguarichi, Manuel Benavides, Matachic, Villa Matamoros, Morelos, Moris, Namiquipa, Nonoava, Ocampo, Ijinaga, Praxedis G. Guerrero, Riva Palacio, Rosales, Valle de Rosario, San Francisco de Borja, San Francisco de Conchos, San Francisco de Oro, Santa Barbara, Satevo, Temosachic, Urique, Uruachi and Valle de Zaragoza.

National Action won a majority in the municipalities of Camargo, Chihuahua, Delicias, Hidalgo del Parral, Juarez, Meoqui, Nuevo Casas Grandes, Saucillo and Casas Grandes. The office of mayor of Cuauhtemoc was won by the Socialist Workers Party, of Ignacio Zaragoza by the PSUM and of Coronado by the PPS.

#### No Victory in Nuevo Leon

In Monterrey, Nuevo Leon, the state head of the CTM, Senator Raul Caballero Escamilla, indicated that that organization will defend the PRI to the death to avoid letting the PAN win any office, however insignificant, in the next elections.

He mentioned that the CTM calls the PAN people traitors because they received the support of the clergy and have turned over the country's interests to the United States, which was demonstrated in the elections in Chihuahua and Durango.

#### Veracruz Gets Ready for Elections

Jalapa, Veracruz, 11 July. Candidates for local deputies, both nominal and plurinominal, who will compete under the various party designations in the forthcoming elections on 4 September, registered yesterday with the State Electoral Commission. In those elections new representatives will be elected to the local legislature.

In addition to the PARM [Authentic Party of the Mexican Revolution] and the PSD [expansion unknown], which in the last federal elections received less than 1.5 percent of the votes in general, the parties which will participate in this election are the PAN, PRI, PST, PPS, PRT, PDM and PSUM.

In the last municipal elections the PRI and the PSUM received the greatest number of votes, with the PRI winning, its candidate being the present mayor, Ignacio Gonzalez Rebolledo. This time the favorites are the PSUM, PRI and PST; but they will all have to fight abstentionism, which could be greater now.

### Opposition Views

Mexico City UNOMASUNO in Spanish 14 Jul 83 p 5

[Article by Rene Delgado and Sara Lovera]

[Text] Several parties--the PPS, PST, PRI and PMT [Mexican Workers Party]--declared yesterday that the PRI is weakening and that the Left should learn a lesson from the PAN victories in the northern part of the country, while PRI deputies, leaders and members agreed that their political organization must be more selfcritical in order to improve its mechanisms, structure and functioning.

In a survey taken among spokesmen for the Left, those spokesmen agreed that the crisis and the reordering of social forces that it implies had something to do with the PAN victories in the north and with the unmistakable weakening of the official party. The PPS spokesman, Francisco Ortiz Mendoza, indicated that participation by the clergy and the economic resources used by the PAN candidates for their campaigns had something to do with their victory, as well as the help they received from former PRI members who were hit by the nationalization of the banking industry.

The leader of the Socialist Workers Party, Rafael Aguilar Talamantes, said that the PAN victories are only "Pyrrhic victories," the result of the ideological use made by the National Action Party of the crisis and the obvious discreditation of the PRI. He added that another element that influenced what happened in the north is the policy of reconciliation with the financial bourgeoisie, which is becoming cozy with political forces within the state.

The spokesman for the Revolutionary Workers Party, Pedro Penaloza, said that the PAN victories were due as much to the deceit with which National Action managed its affairs as to the disputes which exist within the party in power, in the government, between the government and its own party and between the federal government and certain governors.

Speaking for the Mexican Workers Party, Eduardo Valle explained that the Mexico of the enlightened middle class that believed in the PRI and even came to understand it as democratic, is turning toward the Right, and that the Mexico of the workers, peasants and poor people is becoming radicalized, but without having anything to do with the Left. And he indicated that if the leftist organizations penetrate those sectors, the country will go forward.

Within that framework, Valle characterized the PRI as a chamber of conflicting interests, an electoral agency that has become rubbish, which does not strike the middle classes as funny, while National Action represents "the modern gentleman, cultivated, well dressed and even a bit anti-Yankee, which pleases the middle classes. Such was the analysis of the PAN victories by the PMT spokesman.

On the PRI side reactions continued. The head of the popular sector, Enrique Fernandez Martinez, said at a meeting that without pretending to be unaware that the Institutional Revolutionary Party is the majority force in the country, the PAN victories "force us to ask ourselves some questions."

Fernandez Martinez, who said that the National Action victories must not be underrated, stated that the PRI "must deepen the self-criticism which permits us to remain in the vanguard of the people's aspirations, which permits us to redirect or rectify our paths and goals."

PRI deputy and former director of government in the Secretariat of Government Luis Danton Rodriguez said that the defeats suffered by the PRI will enable the party to improve its criteria for selection of candidates. According to NOTIMEX, the deputy indicated that when the PRI realizes that it must choose its best men to represent it in elections, it will win in those elections.

Without self-critical judgments, the head of the Trade Unions Federation of Government Workers, Manuel German Parra, indicated that the PAN victories are the "result of democracy," but they do not invalidate the existence of the Institutional Revolutionary Party, since the national majorities continue to trust it and to close ranks around its leader, Adolfo Lugo Verduzco.

Finally, the PRI delegate in Tamaulipas, Senator Celso Delgado, said--in Ciudad Victoria--(according to correspondent Raul Terrazas), that the PRI people must make the commitment to improve their organization, overcome errors, correct its course and reassert its participation in the electoral process as well as in the elections themselves.

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CSO: 3248/1133

## PEMEX TO BUY EQUIPMENT WITH MORE LOCALLY PRODUCED PARTS

Mexico City EXCELSIOR in Spanish 8 Jul 83 pp 1, 14

Article by Isabel Zamorano: "PEMEX Will Mexicanize Engineering Projects"

Text The director of PEMEX, Mario Ramon Beteta, today announced that enterprise's decision to "Mexicanize" its engineering projects, increase the national content of its purchases, eradicate unnecessary intermediaries by creating a new register of suppliers selected for their suitability, and to distribute abroad only one-third of the total amount projected for purchases in 1983, with the purpose of strengthening national industry.

At the inauguration of the Bruno Pagliai pipe laminating plant in honor of the founder of Tubos de Acero de Mexico, S.A., Mario Ramon Beteta, representing the President of the Republic, reiterated that the enterprise for which he is responsible is changing in order to improve substantially its practices and supply systems so that its buying power, which in 1983 will reach 265 billion pesos, may be employed more efficiently in Mexican industry.

Fulfillment of this objective, the director of PEMEX emphasized, assumes the previous attainment of another goal on the part of the aforementioned industry, that is, the manufacture within the country of those goods with which we need to supply ourselves.

To the degree that this becomes a reality, PEMEX will resort less frequently to foreign suppliers, with a consequent saving in currency; it will increase the national content of its purchases by means of a gradual incorporation of parts and components which will complement the chain of suppliers and will reduce the stocks of high-priced spare parts, primary materials and equipment.

In addition to benefiting the country's economy, this decision will also benefit PEMEX, since it protects it from certain risks that characterize this period while at the same time using its installed capacity in a more complete and fruitful way with clear possibilities for expansion.

Beteta indicated that in addition to developing a new suppliers register, PEMEX is taking steps to determine precisely their suitability and to explain the technical and economic requirements with which they must comply in order to adapt themselves to the needs of the contracting enterprise.

In this way, reiterated Beteta, PEMEX is creating appropriate conditions for national industry to have complete certainty about the market which the institution represents, and as a consequence to undertake firmer and more vigorous actions resulting in a salutary increase in their own activities and a more agile and efficient provision for the national petroleum industry.

Beteta spoke as director of PEMEX and as a member of the administrative council of Tubos de Acero de Mexico and pointed out the relationship which exists between the two enterprises, whose foundation rests on mutual confidence and the clarity of their commercial dealings with one another.

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CSO: 3248/1134

## BRIEFS

BASIC GRAINS IMPORTS--Mexico, 11 Jul--A total of 5.755 million tons of basic grains were imported into the country during the first half of this year. According to the National Company of Popular Provisions (CONASUPO), 3.542 million tons of the total grains and basic foods bought abroad entered by sea and 2.231 million tons by land. The highest level of land transport was achieved last March with 1.263 million tons due to the remnants of purchases from last year. The entry of foodstuffs was carried out across the Nuevo Laredo, Piedras Negras, Matamoros, Ciudad Juarez, Ojinaga, Nogales and Mexicali frontiers, the principal operations occurring in Nuevo Laredo, Ciudad Juarez and Matamoros, through which entered 9,727, 3,672 and 3,486 freight cars, respectively. It was a daily average of 9,620 tons transported in 173 freight cars, and approximately 405 truck trips made. During the month of June one million 49 thousand and 3 tons of food and grains were brought into the country, principally sorghum, corn, beans and soy, and sunflower seed. [Excerpt] [Monterrey EL NORTE in Spanish 12 Jul 83 p 37  
12372

CSO: 3248/1134

## NEED FOR NEW WAGE POLICIES IN ALL SECTORS STRESSED

## CST Leader's Statement

Managua BARRICADA in Spanish 6 Jul 83 p 5

[Text] For the last 2 years, we have seen a strong wage pressure manifesting itself in all production sectors: skilled and unskilled workers, technicians and business managers. This phenomenon has been felt especially in recent months.

The secretary general of the CST (Sandinist Central Organization of Workers), companero Lucio Jimenez, has pointed out the above; however, he indicated that the trade union movement has approached the subject cautiously and, given the country's economic situation, tried not to ask for a wage increase last year.

"The workers froze the possibility of a new minimum wage," Lucio said. Nevertheless, he added, the creation of local wage policies in various state enterprises began to be seen in 1982.

Jimenez cited cases such as that of MIDINRA (Ministry of Agriculture-Live- stock Development and Agrarian Reform), where attractive wages were approved for technicians and skilled workers, especially on the Tipitapa-Malacatoya project, and this, in turn, gave rise to similar situations at INE (Nicaraguan Institute of Energy) and other institutions.

The labor leader acknowledged that it is right to give salary increases to technicians and skilled workers, but said that what is wrong is to give such increases on a sectoral basis without consulting the Ministry of Labor.

In this regard, he expressed himself clearly, saying that "it is time the central government gave the Ministry of Labor its proper place. Let them create a real Ministry of Labor in Nicaragua," companero Jimenez repeated.

#### The Trade Unions Tear Up the Plan

In the face of this situation, the CST trade unions, which had held the line on the minimum wage (1,325 cordobas), felt obliged to tear up the plan, and

they involved themselves in an initiative to secure a wage policy that would provide workers with an acceptable standard of living.

In this anarchic way, ANDEN (National Association of Nicaraguan Teachers) and FETSALUD (Federation of Health Workers) also took steps, each on its own, to respond to their members' demands.

These scattered efforts, he stressed, are of negative value in resolving the basic problem, because they provoke unrest in the industrial and service sectors. They also strongly distort the nation's economy. A CST study, a sampling of the situation of 19,000 wage earners, supports this contention.

#### Why a Minimum Wage of More than 1,800

This study shows that there are at least 7,000 workers who are paid 1,700 cordobas, another 5,000 who earn 1,500 and only 6,000 who receive the minimum wage (1,325) or less.

In conclusion, the study indicates that the minimum wage in the industrial sector tends to be 1,700 cordobas.

The CST secretary indicated that, according to another sampling covering 21,000 workers in 30 central government institutions, Physical Protection Corps workers are paid a wage of 2,067 cordobas a month, while street cleaners earn 1,811 cordobas.

This study also shows that health workers do not earn less than 1,700 and that the MICON (Ministry of Construction) union is negotiating for wages no lower than this. In conclusion, the CST believes that this means that industrial production is totally lacking in incentives, and this results in factory workers going to work for the state.

#### How This Anarchy Affects Things

Lucio said that this flight of factory workers creates obstacles to the carrying out of industrial development tasks. As an example, he cited the case of the Fanatex textile plant, where it proved difficult to man a third work shift, in spite of the fact that, in the last 12 months, 12,226 workers have been seasonally unemployed, especially in sugar mills, and 343 were dismissed from their jobs altogether.

Jimenez pointed out that those who opposed this wage policy ought to demonstrate that it is untenable. "We workers believe that the outgo in wages will not be very great, because, in practice, a large part of this capital already exists."

He asked that MIPLAN (Ministry of Planning) and the Ministry of Labor conduct studies to support this trade union demand.

Certain labor leaders are also concerned, he indicated, about the fact that, even if the wage goal is achieved, the absence of price controls will continue.

We believe, he added, that wage policy at these levels should be independent of price control policy, since last year we renounced a new minimum wage that prices could be controlled and it did not work out this way. "We believe that both things should be done."

#### Supplies and Defense

With regard to the problem of supplies, the CST, after analyzing the questions of production and distribution of basic goods, decided to organize national trade unions in the oil, sugar and textile industries so that workers may have a greater say in the planning of production goals, including utilization of foreign exchange and control over existing lines of credit.

"We maintain that the commissaries should be supplied continuously with at least three or four of the seven basic products," Lucio said. A study shows that the 489 commissaries receive only 9 percent of all the products distributed by MICOIN (Ministry of Domestic Trade).

At least 30,000 workers use this number of shops at the work centers. Barely 0.3 percent of the products are distributed to 21 commissaries in the state industry sector.

We ask that the essentials be provided: oil, soap, beans, powdered milk, corn, rice and salt, the labor leader said.

#### Self-criticism

Logically, Jimenez pointed out, all these demands must be seen within the context of military aggression and the prospect of direct invasion by the Honduran Army and even by North American forces.

By way of self-criticism, he indicated that, even though the number of militiamen and reservists grew this year, he is not satisfied with the results. "We have not done everything we could have." The problem is that it has been impossible to keep the militia drilled, and the CST therefore urges National Militia Headquarters to assign the militiamen permanent tasks, as they do in war zones.

"We workers have to assure the defense of the revolution with or without food, with or without wages," Jimenez repeated.

#### Tirado Announces New Policy

Managua EL NUEVO DIARIO in Spanish 10 Jul 83 pp 1, 8

[Text] Victor Tirado Lopez, a member of the FSLN (Sandinist National Liberation Front) National Directorate, adjourned the Regular Assembly of the CST National Council yesterday, after three days of intensive work in which the CST's national leaders discussed the trade union movement's role, a wage policy proposal and a series of initiatives to reactivate the Nicaraguan Trade Union Coordinating Committee.

Commander Tirado, who was the last of 269 speakers to intervene in the CST meeting during those three days, declared: "Apart from the aggression by North American imperialism to which we are being subjected, the necessary conditions exist for bringing order to our wage policy."

Comander Tirado pointed out that wage problems should be discussed within the context of the Revolution and within the framework of imperialist aggression, financial problems and the economic blockage to which Nicaragua has been subjected.

He also summarized the wage policy of the Somoza regime, which was characterized by favoring certain sectors, promoting division among the workers and making a mockery of their rights.

The FSLN National Directorate member put forward a wage proposal in the following form: service sector, a wage of 1,500 cordobas; industry, 1,900 cordobas; Article 49, supervisors and others, 1,700 cordobas; agriculture-livestock sector, 1,325 cordobas; and domestics, 600 cordobas.

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CSO: 3248/1155

## CONSERVATION VIEWED AS VITAL FOR ANTARCTIC DEVELOPMENT PLAN

Lima EL COMERCIO in Spanish 15 Jul 83 p A 2

Editorial: "Defense of the Antarctic"

Text The present and future prospects of the Antarctic have stimulated growing world interest. For example, aware of the mineral and energy reserves to be found in the Antarctic subsoil, there are those who are developing strategies and technologies to support such a development and are beginning to channel huge investments to this end, with or without regard for the effects which indiscriminate extraction of resources in that part of the world could have. Others, aware of the need to defend the world ecological equilibrium, are making vigorous efforts and are fighting to establish an international standard in this respect.

In this context Peru has just appointed a National Commission on Antarctic Affairs, with the task of assisting the government, from a multisectorial point of view, in the formulation and application of a definite policy regarding the problems of that continent. In this respect a conference on the Antarctic was recently held in Bonn whose main theme was the preservation of the continent, with a firm call on the world powers to avoid including such a vital region of the world in their military plans or arrangements for economic expansion. The Peruvian contribution within the framework of an international effort in support of an Antarctic free of danger therefore promises to be an ambitious one, since it starts from a solid basis: the multisectorial work and coordination for the development of the best proposals and alternatives in international forums.

For example, consideration is being given to the establishment of an international system for the approval of concessions for the exploitation of Antarctic resources, when such exploitation, in its quantitative and qualitative dimensions, does not exceed the limits agreed to for such purposes. In short the right steps are being taken for the protection and development of a continent whose initial history would seem to have caught the attraction of the world recently.

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CSO: 3348/586

## FRIGATE 'MONTERO' COMPLETES SUCCESSFUL TESTS

Lima EL COMERCIO in Spanish 7 Jul 83 p A 3

Text Operating at full power right up to maximum speed, the resplendent missile frigate BAP Peruvian Naval Ship "Montero," just built by the Industrial Service of the Callao Marina SIMAC, completed its second battery of seagoing tests yesterday.

This successful test of navigation on the high seas was attended on board by Vice Admiral Jorge DuBois Gervasi, minister of the navy, who was accompanied by the navy's commander general, Vice Admiral Jorge Zevallos Newton, as well as Sima-Puru's executive director, Rear Admiral Raúl Sánchez Sotomayor, and a large retinue of admirals from the navy's chiefs of staff.

Also present at this demanding set of tests were numerous journalists from newspapers and television, who were there by special invitation of Sima-Callao.

The advanced technology observed in the manufacture of the first warship to be built on the Pacific coast of Latin America was evident from the moment of weighing anchor right out to the high seas, with naval captain Ricardo Ampuero, chief of naval construction for Sima-Callao, in command of the ship.

Following her departure, the BAP 'Montero' first undertook a slow voyage out to sea, and as she progressed, began to gradually increase her speed, until she topped out at 30 knots for an hour and a half.

Some 5 miles out from port, the ship was put through a series of right and left turns in order to check her governing action.

Later, using only turbine propulsion, tests were performed on the strength of the hull, other accessory propulsion equipment, and navigation systems.

Variations in the shaft were also checked out, as well as all automatic systems, by means of which the ship operates on her own resources.

At the conclusion of this rigorous "examination," the frigate again reduced speed until she successfully returned to her point of departure.

This is the first of two frigates being built by Sima-Callao at its shipyards under a contract between Peru's navy and the Italian shipyards Cantieri Naval Riuniti de Rivas Trigoso, where two other, similar ships now in the navy's fleet were built under the same contract.

The BAP 'Montero' will continue to undergo further tests, each more exacting than the last, as equipment yet to be installed is completed.

The ship is expected to be delivered to the navy officially toward the end of July of the coming year, and will be incorporated into the missile frigate fleet.

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CSO: 3348/554

## SUGAR PRODUCTION CRISIS BASED ON PROBLEMS IN COOPERATIVES

Lima EL COMERCIO in Spanish 7 Jul 83 p A 1

Text7 Deficient management, lack of training on the part of the beneficiaries, failure to formulate an adequate pricing policy, and excessive growth in cooperative membership were cited as the main reasons for the crisis now facing the sugar industry.

According to Agriculture Minister Mirko Cuculiza, the sugar cooperatives were set up without prior study and without training their members in cooperative philosophy. He added that the resulting bureaucratization, and the forced departure of specialized technicians specializing in sugar cane, contributed to worsening the situation.

As a solution, he proposed restructuring the cooperatives, changing their administrative structure, and increasing their liquidity by issuing very long-term loans, in order to turn them into economically viable operations once again.

Economist Santiago Roca, who studies cooperative activity, also agreed on lack of training as a reason for the current syndrome. He proposed developing a training program to create the understanding that participation does not mean anarchy or lack of discipline, and in order to strengthen the technical and managerial criteria applied by the cooperatives.

He also spoke in favor of investment in the cooperatives' technological base. "We must," he said, "perfect the cooperative form, change labor practices, and solve management problems if we are to render decisionmaking a more agile process in these enterprises and create an adequate environment for survival."

For Alfredo Barreto, former owner of an expropriated sugar plantation, and formerly manager of the Hacienda Cayalti, the crisis developed as a result of an inadequate cooperative management model, whereby priority was given to social as opposed to production factors.

After pointing out that the failure to have a pricing policy to protect the sugar industry also made the problem worse, he proposed as a solution a fair price for the product, and austerity in the management of the cooperatives.

On the other hand Fernando Bazán, president of the National Federation of Agricultural Sugar Cooperatives of Peru, emphasized the fact that sugar prices were frozen during the period 1969-1976 as a major cause of today's worries.

He asked for cancellation of the sugar industry's debts, a coherent price policy in the domestic market in line with the inflationary index, financial support, and tax exemptions.

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END